

Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

National Association of Insurance Commissioners (NAIC) Spring 2026 Meeting Summary

The National Association of Insurance Commissioners (NAIC) held its Spring National Meeting virtually and in person in San Diego, California. This summary highlights issues that various NAIC groups addressed at the meeting.

For more information, please contact Attorneys Zach Steadman: (501) 688-8892, zsteadman@mwlaw.com, Shadai Walker: (501) 688-8803, swalker@mwlaw.com, Drew Allen: (501) 688-8813, dallen@mwlaw.com, or Rustin Gaines: (501) 688-8829, rgaines@mwlaw.com.

What You Need to Know:

- The NAIC launched a multi-state pilot of its AI Systems Evaluation Tool, with approximately 11–12 states now field-testing the tool across market conduct examinations, financial examinations, and general regulatory inquiries to assess insurer governance, data use, and risk management practices related to artificial intelligence systems.
- The Executive Committee adopted the Restructuring Mechanisms White Paper, providing a comprehensive analysis of insurance business transfers (IBTs) and corporate divisions—their historical development, regulatory considerations, and legal implications in the United States.
- The Financial Condition (E) Committee approved development of a model law establishing state Department of Insurance-based mitigation programs and formally added wildfire risk to the catastrophe risk component of the property and casualty risk-based capital (RBC) formula (Proposal 2025-20-CR).
- The Third-Party Data and Models Working Group advanced a risk-based regulatory framework for third-party vendors providing pricing, underwriting, claims, and fraud detection services to insurers, with the goal of establishing governance standards for model and data integrity, consumer protection, and ongoing monitoring while safeguarding intellectual property.

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Joint Meeting of the Executive (EX) Committee and Plenary

The Executive (EX) Committee and Plenary met jointly on March 25, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Receive the March 24 Report of the Executive (EX) Committee

The Committee received the March 24 report of the Executive (EX) Committee.

Adoption of the 2025 Fall National Meeting Minutes

The Committee adopted the 2025 Fall National Meeting minutes.

Received Committee Reports

The following Committee reports were received:

A. Life Insurance and Annuities (A) Committee

The Committee received an update from the Life Insurance and Annuities (A) Committee, including reports from its task forces and working groups, a presentation on annuity illustrations, and exposure of a request for comment on the use of technology to improve market regulation.

B. Health Insurance and Managed Care (B) Committee

The Committee received an update from the Health Insurance and Managed Care (B) Committee, including adoption of prior minutes and working group reports, and presentations on health care affordability and federal coordination with CMS.

C. Property and Casualty Insurance (C) Committee

The Committee received an update from the Property and Casualty Insurance (C) Committee, including adoption of revised charges related to rate making, establishment of a Homeowners Market Report Working Group, and updates on the affordability and availability playbook and homeowners market data call.

D. Market Regulation and Consumer Affairs (D) Committee

The Committee received an update from the Market Regulation and Consumer Affairs (D) Committee, including establishment of a Market Conduct Regulation Modernization Working Group, adoption of PBM licensure and regulation guidelines, and updates on cybersecurity response framework development and the AI systems evaluation tool.

E. Financial Condition (E) Committee

The Committee received an update from the Financial Condition (E) Committee, including adoption of task force reports and a wildfire risk-based capital proposal, and updates on statutory accounting matters, invested assets work, and the AI systems evaluation tool.

F. Financial Regulation Standards and Accreditation (F) Committee

The Committee received an update from the Financial Regulation Standards and Accreditation (F) Committee, including accreditation actions for certain states and discussion of referrals related to the company licensing process.

G. International Insurance Relations (G) Committee

The Committee received an update from the International Insurance Relations (G) Committee, including adoption of prior minutes and working group reports, exposure of a draft review of U.S. group solvency regulation, and updates on international coordination efforts.

H. Innovation, Cybersecurity, and Technology (H) Committee

The Committee received an update from the Innovation, Cybersecurity, and Technology (H) Committee, including updates on the AI systems evaluation tool pilot, development of a cybersecurity event notification portal, and ongoing work related to privacy protections and third-party data and models.

Adoption of the Restructuring Mechanisms White Paper

The Committee adopted the Restructuring Mechanisms White Paper. The white paper provides a comprehensive overview of insurance restructuring mechanisms, including insurance business transfers and corporate divisions, and examines their historical development, regulatory considerations, and legal implications in the United States. The white paper also addresses policyholder protection concerns, including guaranty fund considerations and solvency oversight, and includes recommendations related to regulatory safeguards, financial standards, and coordination among states.

Receive the Model Law Adoption Status Report

The Committee received a status report on state implementation of NAIC-adopted model laws and regulations.

Executive (EX) Committee

The Executive (EX) Committee met March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of the March 22 Report of the Executive (EX) Committee and Internal Administration (EX1) Subcommittee

The Committee adopted the report of the March 22 meeting of the Executive (EX) Committee and Internal Administration (EX1) Subcommittee, which was held in regulator-to-regulator session pursuant to paragraphs 4 and 6 of the NAIC Policy Statement on Open Meetings. During this meeting, the Committee:

1. Adopted the 2025 Fall National Meeting joint minutes of the Executive (EX) Committee and Internal Administration (EX1) Subcommittee.
2. Adopted Feb. 12, 2026, joint minutes of the Executive (EX) Committee and Internal Administration (EX1) Subcommittee. During this meeting, the Committee and Subcommittee:
 - a. Received an update on the NAIC governance initiative.
 - b. Selected the 2030 national meeting site locations: Spring-Atlanta, GA; Summer-Salt Lake City, UT; and Fall-Hollywood, FL.
 - c. Heard a report on the 2026 Center for Insurance Policy and Research (CIPR) research agenda.
 - d. Discussed the NAIC conflict of interest policy.
 - e. Received the interim chief executive officer (CEO) report.
3. Adopted the report of the Audit Committee, which was held on March 17. During this meeting, the Committee:
 - a. Received an update on the upcoming Service Organization Control (SOC) 1 and SOC 2 reviews.
 - b. Received the 2025 Financial Audit Report.
4. Adopted the report of the Internal Administration (EX1) Subcommittee, including its March 3 minutes. During this meeting, the Subcommittee:
 - a. Received the Dec. 31, 2025, long-term investment (LTI) portfolio report.
 - b. Approved the 2026 LTI portfolio target allocation recommendation.
 - c. Received the 2025 financial results.
 - d. Approved negotiations to begin on the NAIC New York City office lease.
 - e. Heard an update on the chief financial officer (CFO) search.
5. Received an update on the NAIC governance initiative.

6. Approved an extension for the Interstate Insurance Product Regulation Commission (Compact) to delay its next loan repayment date to the NAIC from March 30, 2026, to June 30, 2026, to allow time for the necessary parties to discuss a proposal for forgiving its debt.
7. Received the interim CEO report.

The report and its action items were adopted without discussion.

Adoption of the Interim Meeting Report

The Committee adopted its Jan. 10 meeting report. During that meeting, the Committee:

1. Received an update on the National Insurance Producer Registry (NIPR) Board of Directors.
2. Approved the 2026 Audit Committee appointments.
3. Approved the 2026 NAIC Consumer Participation Board of Trustees.
4. Approved the Center for Insurance Policy and Research (CIPR) Advisory Council Steering Committee.
5. Approved the appointment to the International Association of Insurance Supervisors (IAIS) Executive Committee.
6. Approved the reappointment to the Financial Stability Oversight Council (FSOC).

The report and its action items were adopted without discussion.

Adoption of Task Force Reports

The Committee adopted the reports of the following groups:

1. Natural Catastrophe Risk and Resilience (EX) Task Force, including its 2026 charges
2. Government Relations (EX) Leadership Council
3. Risk-Based Capital Model Governance (EX) Task Force

No discussion was held, and the reports were adopted as presented.

Approval of Model Law Development Request

The Committee approved a request from the Natural Catastrophe Risk and Resilience (EX) Task Force to develop a model law to establish a Department of Insurance-based mitigation program.

The proposal was described as a framework to support state mitigation programs aimed at reducing losses and improving market stability. It would provide guidance on standards, eligibility, data collection, and program structure, building on existing state programs.

No questions were raised, and the request was approved as presented.

Public Hearing on the NAIC Policy Statement on Open Meetings

The Committee conducted a public hearing to receive comments on the NAIC Policy Statement on Open Meetings and to gather input on how the policy is applied in practice.

Commissioner Pike opened with an overview of the ongoing review, noting that the Committee is evaluating whether updates or additional guidance are needed to improve consistency and transparency. He referenced a recent survey of NAIC members and staff and indicated that the Committee expects to continue gathering input before determining next steps.

Industry and consumer representatives generally focused on transparency and the increasing use of regulator-to-regulator sessions. Several commenters stated that, while the NAIC remains more transparent than other standard-setting bodies, there is a perception that key discussions are happening in closed sessions or smaller drafting groups, with open meetings often serving to finalize decisions rather than develop them.

Commenters emphasized the importance of earlier stakeholder engagement, particularly during drafting stages, noting that early input can improve the quality and practicality of final standards. Suggestions included clarifying when closed sessions are appropriate, identifying the specific basis for closing a meeting, and providing summaries of closed discussions where possible.

Some commenters also recommended revisiting certain policy exceptions, including those related to discussions involving specific companies or potential legal matters, which they viewed as being applied broadly in practice. Others suggested improving access to meetings and materials, including broader availability of recordings and more consistent posting of information.

Consumer representatives echoed these concerns and emphasized the need for sufficient time and access to understand regulator discussions in order to provide meaningful input. They noted that greater transparency would improve engagement and help avoid delays or misunderstandings later in the process.

Committee members discussed the need to balance transparency with the ability for regulators to have candid discussions and coordinate across jurisdictions. Several members noted that regulator-only sessions remain important for collaboration, particularly given time constraints and the complexity of issues being addressed.

The Committee indicated it is continuing to review the policy and will consider feedback received.

Status Report on Model Law Development Efforts

The Committee received a status report on model law development efforts. No discussion was held, and no action was required.

Reports from NIPR and the Interstate Insurance Product Regulation Commission (Compact)

The Committee received reports from the National Insurance Producer Registry (NIPR) Board of Directors and the Interstate Insurance Product Regulation Commission (Compact). No discussion was held.

Risk-Based Capital Model Governance (EX) Task Force

The Risk-Based Capital Model Governance (EX) Task Force met on March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of Minutes

The Task Force adopted its 2025 Fall National Meeting minutes.

Recap of Work Done in 2025

The Task Force received a recap of the work it completed in the previous year. In 2025, the Task Force finalized the RBC governance principles. These principles were intended to provide a shared framework for how the Task Force approaches transparency, consistency, and accountability in the RBC adjustment process. The Task Force also provided input to Bridgeway Analytics as part of their effort to improve how the Task Force communicates internally and externally. This work will continue into 2026. The Task Force will also continue work on the RBC adjustment process.

Receive Comments on the Gap Analysis Request for Input

The Task Force issued a request for comment on February 10, seeking stakeholder input on potential gaps in the RBC framework. This was intended to be a high-level input exercise to help the Task Force determine whether there are clear issues, themes, or areas of concern that warrant further consideration. Moving forward, the Task Force will discuss the issues identified during the comment period and determine whether they are material and warrant further discussion. The next steps for the Task Force involve engaging the appropriate technical groups of the Financial Condition (E) Committee to evaluate those issues more deeply and determine whether those groups agree on the appropriate next steps.

Discuss the Draft Risk-Based Capital Adjustment Process Flowchart, and Receive Input on Further Development

Commissioner Godfread (ND) led a discussion regarding the draft Risk-Based Capital Adjustment Process Flowchart. The draft flow chart attempts to map the current RBC adjustment process. The intent of the draft flowchart is to explore whether policy questions can be more clearly identified and considered before a technical group is asked to begin extensive work. The discussion also addressed whether the purpose and need for a change should be more clearly established before technical analysis begins. Commissioner Godfread requested feedback from the Task Force on three questions: (1) When a potential RBC issue is identified, where should that policy discussion take place? (2) How can the Task Force ensure it has clear agreement on the problem it is trying to solve before technical work begins? (3) Is this Task Force the appropriate forum to help frame those policy discussions before matters move deeper into the RBC technical process?

Multiple Task Force members emphasized the need for greater commissioner involvement. Task Force members also suggested a more formal process for discussing issues at the commissioner level, establishing clear documentation trails, and continuing to discuss ways to balance bottom-up technical identification and top-down policy guidance.

Plan for 2026: Level Set with Input from Commissioner Task Force Members and Other Stakeholders

The Task Force was originally tasked with providing Commissioner-level oversight of the RBC framework. As part of that role, the Task Force is focused on policy-oriented questions, including why RBC should address a particular risk, why an adjustment is necessary, and what regulatory outcome is intended to be achieved.

The Task Force discussed the importance of ensuring these policy considerations are clearly understood as potential RBC issues are identified, particularly before significant technical work is undertaken. Members also discussed the need for greater commissioner involvement and visibility in emerging issues, as well as the importance of maintaining coordination with the technical working groups responsible for detailed analysis and implementation.

Further discussion is needed regarding the specific role of this Task Force in policy discussions, the processes by which technical groups surface issues early, and how to best integrate these efforts with existing Financial Condition (E) Committee and working group processes. The Task Force will continue to explore whether a more structured process is needed to support these objectives.

Discussion of Other Matters

The American Academy of Actuaries (Academy) updated the Task Force on its RBC Ratio Impairment Risk Research Project. The project was designed to assess whether a meaningful relationship exists between RBC ratios and impairment risk. The Academy's research suggested three key takeaways: (1) when all companies are included in the data, RBC ratios, on their own and across all lines (P/C, Life, and Health), show a relatively weak relationship with impairment experience; (2) once very small insurers and companies with extremely high capital levels were removed from the research dataset, a clearer and more stable predictive relationship emerged; and (3) RBC levels become materially less informative of impairment risk when ACL RBC ratios exceed 1000%. Task Force members noted that the analysis may not capture certain regulatory interventions and oversight activities that occur outside of reported data. Moving forward, the Academy plans to further examine the relationship between RBC ratios and impairment risk by incorporating additional factors.

Natural Catastrophe Risk and Resilience (EX) Task Force

The Natural Catastrophe Risk and Resilience (EX) Task Force met on March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Feb. 24 Minutes

The Task Force adopted the minutes of its February 24, 2026, meeting without objection.

Presentation on the Future of Insurability in the Face of Catastrophe Risks

Liz Henderson (Aon) presented on the increasing challenges to insurance availability and affordability driven by rising catastrophe losses. She noted that insured losses have exceeded \$100 billion annually in recent years and that the industry has paid more than \$2.5 trillion in catastrophe losses since 2000. Henderson emphasized that while climate is a factor, non-climate drivers such as building density, inflation, and vulnerability of the built environment are significant contributors to loss trends, citing analysis that approximately 80% of severe convective storm loss increases are attributable to these factors. She also highlighted that secondary perils, particularly severe convective storms, are increasingly driving losses and, on a cumulative basis, have surpassed hurricane losses in recent years.

Henderson explained that insurers and reinsurers are responding through rate increases, underwriting actions, and changes in reinsurance structures, including reduced appetite for lower-layer catastrophe risk, resulting in greater retention by primary insurers. She noted that catastrophe modeling remains complex and varies across vendors, leading to differing views of risk based on assumptions and risk appetite. Despite this variability, market participants generally follow similar frameworks, with opportunities for innovation emerging in areas where risk is more difficult to model, such as wildfire and severe convective storms.

A key focus of the presentation was the role of mitigation and resilience in maintaining long-term insurability. Henderson emphasized that while insurers are increasingly offering incentives and advisory services to support resilience, these efforts must be scaled and better integrated into catastrophe models and underwriting. She noted that a significant barrier is the lack of visibility and coordination, as mitigation investments are often not reflected in models, limiting their impact on pricing and availability. She encouraged regulators to serve as conveners to bring together stakeholders, including insurers, modelers, engineers, and public entities, to better align mitigation efforts with risk assessment.

During discussion, regulators raised questions regarding alignment between insurers and reinsurers, quantifying the impact of mitigation programs, and affordability concerns. Henderson noted that there is no single consensus view of risk, but alignment exists in overall approach, with

differences driven by modeling assumptions and capital considerations. She acknowledged that determining the point at which aggregated mitigation meaningfully impacts portfolio risk remains an open question. Additional discussion addressed protection gaps, particularly for flood and earthquake, and evolving policy structures, including increased use of percentage deductibles and actual cash value coverage for roofs, which reflect efforts to better align risk sharing but may present consumer understanding challenges.

Presentation on Building Regulator-University Partnerships

Dr. Lars Powell (University of Alabama) presented considerations for establishing effective partnerships between regulators and academic institutions. He explained that the Alabama Center for Risk and Insurance Research was created to provide objective, data-driven analysis following disagreements over homeowners' insurance affordability after major hurricanes, highlighting the value of academic partnerships in supporting unbiased, evidence-based policymaking.

Dr. Powell noted practical challenges when working with universities, including differences in timelines and incentives. He explained that academic research is often geared toward long-term outputs, while regulators require timely, targeted analysis, emphasizing the importance of clearly defining expectations, deliverables, and timelines. He also highlighted that access to data is a key motivator for researchers and that successful partnerships depend on aligning incentives, selecting appropriate institutions, and leveraging expertise across disciplines.

During discussion, regulators asked how to enable timely post-disaster analysis. Dr. Powell emphasized the importance of advance preparation, including identifying necessary data and establishing data collection frameworks before events occur, noting that pre-planning can significantly improve the speed and quality of post-event analysis.

Adoption of Revisions to the Natural Catastrophe Risk Dashboard Report

The Task Force adopted revisions to the Natural Catastrophe Risk Dashboard Report to update a sentence to better align with the overall tone and content of the report.

Priorities for Working Groups in 2026

The Task Force discussed priorities for its working groups, noting that leadership teams have been established and work is underway. The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group, led by Louisiana Commissioner Tim Temple and Oklahoma Commissioner Glen Mulready, will focus on expanding mitigation programs through the use of data and modeling from the Center of Excellence, improving regulators' access to real-time modeling data during disaster events, and considering a framework for a potential model law.

The Severe Peril (EX) Working Group, led by Missouri Director Angela Nelson and Alaska Director Heather Carpenter, will focus on evaluating protection gaps for severe perils and increasing awareness of flood risk and mitigation strategies. The Task Force also emphasized that flood risk remains a central issue across jurisdictions and that both working groups will contribute to the development of a national flood insurance blueprint, which is a key component of the Task Force's resiliency strategy and is expected to be completed by year-end.

Update on Catastrophe Risk Management Center of Excellence (CAT COE)

Tim Farrell (NAIC) provided an update on the Catastrophe Risk Management Center of Excellence, noting recent improvements in severe convective storm (SCS) models and that insurers are expected to rely on these models more frequently, including in rate filings. He explained that these models have historically lagged in capturing SCS risk, but recent updates may result in broader use by insurers, including in states where catastrophe modeling has not traditionally been a focus.

Farrell also noted that SCS risk presents potential solvency considerations, particularly as insurers retain more risk due to changes in the reinsurance market. He highlighted the COE's support in this area, including analysis of risk-based capital data, participation in financial examinations, and monitoring of evolving RBC requirements, including the expansion of perils such as wildfire.

In addition, Farrell discussed the COE's broader support for regulators, including training on catastrophe models and their use in rate filings, as well as assistance with mitigation and resiliency efforts. This includes helping states design mitigation programs, identify priority areas for investment, and develop mitigation discount frameworks to guide insurers.

Update on the NAIC Disaster Preparedness Guide

Mike Peterson (CA) reported that the Disaster Preparedness Guide is nearing completion. Two draft documents, including an executive summary and a detailed guide for staff, will be exposed for a 30-day comment period, with final adoption expected prior to the Summer National Meeting.

Pre-Disaster Mitigation & Risk Modeling (EX) Working Group

The Pre-Disaster Mitigation & Risk Modeling (EX) Working Group met on March 25, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Discuss the Appointment of the Working Group and its Charges

Commissioner Timothy Temple (LA) led discussion regarding the appointment of the Working Group and its 2026 Charges. In 2026, the Working Group is focusing on the model law for state mitigation programs as well as the development of a long-term vision for the Center of Excellence for Catastrophe Research Modeling and Resilience. Both these activities will help the Working Group achieve its 2026 Charges. The Working Group will be releasing a specific work plan on accomplishing these items in the near future.

Recap of the March 23rd Center for Insurance Policy and Research (CIPR) Event with the Insurance Institute for Business & Home Safety (IBHS)

Brian Powell (NAIC) and Michael Newman (IBHS) gave the Working Group a recap of the March 23rd CIPR and IBHS joint event. Several insurance and disaster mitigation experts attended the event and discussed current and developing trends in this space. The IBHS gave a presentation on severe convective storms that focused primarily on wind and hail damage to residential property. According to the presentation, two-thirds of all states are susceptible to storms producing severe hail and wind. From 1990 to 2022, severe convective storm losses increased at an annual rate of roughly 9 percent; however, the annual rate sharply increased in 2023-2024, which saw losses totaling \$123 billion. Additionally, the IBHS noted that convective storm damage has surpassed hurricane damage in total claims losses. Currently, the IBHS is working to expand their knowledge and to identify the best roofing materials to protect against storm damage.

Report on the Status of State Mitigation Programs

Brian Powell (NAIC) gave the Working Group a status update on state mitigation programs. Currently, eight states have mitigation programs. Additionally, as many as fourteen states are either considering or currently designing and implementing mitigation programs.

Discussion on the Potential Development of a Model Law Related to Mitigation Grant Programs

Commissioner Timothy Temple (LA) led a discussion on the potential development of a model law related to mitigation grant programs. The Working Group has been put in charge of developing a model law related to state-based mitigation grant programs. The model law aims to serve as a

guide to states that wish to develop mitigation programs. Commissioner Temple gave the Working Group an overview of Louisiana’s laws and the number of opportunities the state has

had to apply grant funds to more fortified roofing using the IBHS standards. According to Commissioner Mark Fowler (AL), Alabama has a similar program which has already proven to be effective during Hurricane Sally. Additionally, several Working Group members expressed support for ensuring that the model law addresses all types of perils in the model law, flood and wildfire perils were discussed specifically.

Discussion of Real-Time Events Modeling Capability for States

Jeff Czajkowski (NAIC) led a discussion regarding real-time events modeling capability for states. The NAIC is considering the implementation of a new tool aimed at providing states with predictive information on expected claims losses prior to a given event. The tool would allow an insurance commissioner or committee support to make educated estimates in real-time regarding potential losses before a storm makes landfall and before a severe convective storm moved into a populated based on weather predictions. Additionally, a commissioner would be able to update those estimates as the event progresses.

Life Insurance and Annuities (A) Committee

The Life Insurance and Annuities (A) Committee met on March 23rd, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Committee adopted its 2025 Fall National Meeting Minutes.

Discuss Task Force and Working Groups

The Committee adopted the reports of the Life Actuarial (A) Task Force, Annuity Buyer's Guide (A) Working Group, Annuity Suitability (A) Working Group, and the Life Insurance and Annuities Illustrations (A) Working Group.

Members of the following Task Force and Working Groups updated the Committee on recent activities:

A. Life Actuarial (A) Task Force

- Highlighted a few specific activities in its March meetings:
 - The Task Force continued to discuss the potential retrospective application of VM22 Principle Based Reserving (PBR) for non-variable annuities. The Task Force exposed a framework developed by the ACLI for a 90-day public comment period. In that framework, the PBR requirements would continue to be the default valuation requirements. Companies could elect to move existing business to PBR with notification and adequate support provided to the domestic regulator. The domestic regulator would then have the option to disapprove the proposal if not adequately supported. Further discussion is expected to focus on the timeline and format of supporting analysis and review.
 - The Task Force also discussed the potential application of VM22 to guaranteed investment contracts, synthetic-guaranteed investment contracts, funding agreements, and stable value contracts and exposed questions on that item for a 75-day comment period.
 - The Task Force exposed APF2026-01 which would revise the VM22 reinvestment guardrail for pension risk transfer products. The proposal was exposed for a 45-day comment period.

- The Task Force formed a nonforfeiture drafting group to prospectively clarify the calculation of the initial expense allowance and the amortization for universal life and variable universal life products based on an observed difference in interpretation among different parties for the existing requirements.

B. Annuity Buyer's Guide (A) Working Group

- The Working Group developed a chair draft of the NAIC Buyer's Guide for Deferred Annuities and exposed the draft revisions for a 30-day comment period ending April 16.

C. Annuity Suitability (A) Working Group

- This year, the Working Group plans to undertake three projects in furtherance of the Executive Committee 2026 priorities. The projects include (1) working in conjunction with the NAIC education and training team to develop new training and specialized modules for attorneys, investigators, and examiners; (2) drafting a white paper to communicate annuity suitability compliance best practices, and (3) continue the efforts to include state insurance departments' administrative law decisions in a searchable format by engaging with legal databases and other potential vendors about the feasibility of creating a database for administrative law decisions.

D. Life Insurance and Annuities Illustrations (A) Working Group

- The Working Group held its inaugural call on February 24th. During the call, the Working Group and interested parties had a robust conversation primarily focused on annuity disclosures. and the discussion was focused on annuity disclosures. The Working Group is focused on identifying short-term and long-term approaches to better ensure that consumers receive reasonable expectations for indexed annuity returns at the point of sale. The next call is scheduled for March 31st.

Presentation on Understanding Illustrations

Ben Slutsker (MN) and Russ Gibson (IA) gave a presentation regarding annuity illustrations. The presentation highlighted common misunderstandings associated with annuity illustrations.

Slutsker and Gibson also highlighted problems for consumers regarding annuity illustrations, such as multi-page, lengthy illustrations which can overwhelm consumers. Slutsker and Gibson

encouraged insurance departments to increase the monitoring of complaints about agent misrepresentations and to conduct more market conduct inquiries.

Discuss Market Data and Scanning Priority

Director Anita Fox (MI) and Tim Mullen (NAIC) led a discussion regarding how tools like the Market Conduct Annual Statement (MCAS) are used in market regulation.

The Committee exposed the following questions for a 45-day comment period ending April 30: “Are there ways that technology can be used to improve market regulation (from advertising and marketing to sales and beyond) for the benefit of consumers? In particular, are there ways that regulators can be more proactive rather than retrospective?”

Update from the Society of Actuaries (SOA) and Center for Insurance Policy and Research (CIPR) on the Use of Criminal History in Life Insurance Underwriting Project

Commissioner Doug Ommen (IA) updated the Committee regarding the SOA and CIPR’s Criminal History and Life Insurance Underwriting Project. The Project continues to move forward. A literature review focusing on the relationship between criminal history and mortality is currently being conducted and is near completion. Data collection regarding insurers’ use of criminal history in the underwriting process is also underway. As a part of the project, commissioners were asked to send a letter to their domestic life insurers and foreign life insurers doing business in their state to encourage participation in an online survey examining the use of criminal history in life insurance decision-making in the United States.

Discussion of Other Matters

The Committee noted that, on March 17th, the US District for the Northern District of Texas issued a decision in the case of *ACLI v. Department of Labor* vacating DOL Fiduciary Rule. On March 20th, the DOL officially removed the 2024 rule from the CFR and reinstated the original five part-test to determine fiduciary status under ERISA.

The Committee also noted that Dick Weber (Life Insurance Consumer Advocacy Center) has proposed giving two presentations to the Committee in May on indexed universal life premium financing and on unclaimed life insurance benefits.

Health Insurance and Managed Care (B) Committee

The Health Insurance and Managed Care (B) Committee met on March 25, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of Minutes

The Committee adopted its February 13, 2026, and 2025 Fall National Meeting minutes.

Consider Adoption of the Reports of its Working Groups and Task Forces

The Committee adopted the following Working Group and Task Force reports:

- A. Consumer Information (B) Working Group*
- B. Health Care Affordability and mitigation (B) Working Group*
- C. Health Actuarial (B) Task Force*
- D. Regulatory Framework (B) Task Force*
- E. Senior Issues (B) Task Force*

The Committee also adopted the revised *State Flexibility White Paper*.

Presentation on Health Insurance Affordability and State Options to Address It

Michael Bailit (Bailit Health) gave a presentation regarding state strategies to address the affordability crisis in the commercial health insurance market. According to Bailit's research, almost four in ten adults in the U.S stated they have skipped or postponed needed health care due to costs, one in five report having not filled a prescription due to costs, and four in ten adults report have debt resulting from medical or dental bills.

Nationally, hospital spending makes up nearly half of total health care spending. According to Bailit, states have been considering and implementing many different approaches to address the problem of commercial market affordability, including hospital and prescription drug price caps, site-neutral payments and facility fee bans, hospital and prescription drug price growth caps, enhancing market competition, reinsurance programs, limiting consolidation, and making investments in primary care, prevention and non-medical drivers of health.

Discussion on Improving State/Federal Coordination on Issues Related to the Medicare Advantage Program

Alec Aramanda (CMS) led a discussion on how to improve state and federal coordination and collaboration on issues related to the Medicare Advantage program. Aramanda began by highlighting two overarching CMS principles: (1) the MAHA (Make America Healthy Again)

agenda, which seeks to address underlying chronic conditions affecting patients and communities through certain preventative measures and incentives, and (2) the importance of subsidiarity and encouraging partnerships with states in making decisions at the most local level possible.

Aramanda next discussed CMS' steps to address issues with original Medicare, Medicare Advantage (MA), and Medicare Part D Prescription Plans. Regarding original Medicare, the Trump Administration wants to move away from a fee-for-service model towards a system that pays for value, which can be done through more accurate and empirically reliable pricing, using market-based pricing and other information from the commercial market to inform Medicare rates, and using accountable care organization to ensure providers and payors have incentives to treat patients' underlying conditions. The Administration is also seeking to address negative consolidation in the health care market by removing incentives that create arbitrage, increase patient cost, and lessen quality of patient care.

Regarding MA and Part D plans, the Trump Administration wants to implement strategies aimed at making risk adjustment simpler, increasing direct competition, and making health care data more accurate. Regarding prior authorization, CMS plans to create bold metrics to streamline and modernize existing prior authorization systems. Aramanda emphasized the need for the federal government and states to work together to ensure Medicare patients have access to timely, high-quality care that is close to their home. CMS has a statutory obligation to ensure that there are consistent rules for MA plans across the country and wants to address many recurring issues affecting MA and Part D plans, such as inappropriate denials, restrictive utilization management, marketing misconduct, and network inadequacy issues. CMS will address these issues through formal notices of noncompliance, warning letters, affirmative action plans, civil monetary finds, and even terminating noncompliant plans.

Update from the CMS' Center for Consumer Information and Insurance Oversight (CCIIO) on its Recent Activities

Peter Nelson (CCIIO) updated the Committee on the CCIIO's recent activities. Nelson began by discussing the CCIIO's goals moving forward. CCIIO is committed to curbing fraud, waste, and abuse. To that end, CCIIO is trying to increase the amount of data it shares with regulators and issuers regarding suspicious agents and brokers. CCIIO is also focusing on several key priorities: price transparency, program integrity, lowering barriers to plan design innovation, and creating a regulatory framework for plan design innovation.

Peter Nelson discussed the importance of the Working Families Tax Cut legislation which, among other things, expands the availability of HSAs for those that enroll in catastrophic plans and bronze plans and allows for direct primary care to be funded through an HSA. These new provisions should open up new types of health plans and new incentives in the health plan space.

Much of the focus of the discussion was on plan innovation. CCIIO is working to finalize the 2026 Payment Notice, which has several provisions related to plan design innovations. One of the most

important proposals in the Payment Notice affects the requirement for standardized plans. According to Nelson, the limit on the number of non-standardized plans that can be offered imposes serious limitations on plans. CCIIO has proposed a change to the Notice which removes the standardized plan requirement. CCIIO is also seeking to create a regulatory framework to allow non-network plans on the Marketplace and to address and implement innovative plan designs that have multi-year contracts. Regarding the timing of the Payment Notice, the CCIIO is still reviewing comments and will get it out as soon as feasible.

Regulatory Framework (B) Task Force

The Regulatory Framework (B) Task Force met on March 24th, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Task Force adopted its February 13th, 2026, and 2025 Fall National Meeting minutes.

Status Updates and Adoption of Working Group Reports

The Working Group received status updates from and adopted the reports of the following Working Groups:

A. Employee Retirement Security Act (ERISA) and Alternative Health Coverage (B) Working Group

The ERISA and Alternative Health Coverage (B) Working Group discussed and agreed that a drafting group would revise the *Guidance Document: ERISA Preemption and State Pharmacy Benefit Manager (PBM) Laws* based on comments received. The Working Group also discussed the establishment of a drafting group to draft a paper on level-funded plans. The Working Group also discussed its new 2026 charge to monitor, analyze, and report, as necessary, developments related to excepted benefits coverage, short-term limited-duration (STLD) coverage, health sharing ministry coverage, and coverage that is offered and marketed as a substitute for, or an alternative to, comprehensive major medical coverage. One suggestion regarding this charge was to create a repository of state law and enforcement actions regarding excepted benefits coverage. The Working Group requested that interested parties provide feedback on ways to address the charge by April 30th.

B. Mental Health Parity and Addition Equity Act (MHPAEA)(B) Working Group

The MHPAEA Working Group wants to create a tracking document that lists state action in the MHPAEA space including activities, templates, and statutes. The Working Group is also considering adopting a template for quantitative treatment limits. Additionally, the Working Group plans on making recommendations on ways the NAIC can better support MHPAEA. These recommendations could include referrals to the Market Regulations and Consumer Affairs (D) Committees or supporting NAIC's education and training staff in developing more MHPAEA content.

C. Prescription Drug Coverage (B) Working Group

At its March 23, 2026, meeting, the Prescription Drug Coverage (B) Working Group heard presentation from the National Health Law Program and the HIV+Hepatitis Policy Institutes on prescription drug formularies, consumer protections, and state enforcement. The Working Group also heard a presentation from the Alabama Department of Insurance on prescription drug discount cards and how they work.

All comments received during and after the meeting show the need for more work in the prescription drug coverage space. Many of the comments focused on issues in utilization review and the Working Group is considering putting together a Guidance Document for best practices.

The MHPAEA (B) Working Group accepted the Working Group's invitation to do a joint meeting to discuss substance abuse disorder drugs and formulary concerns around those drugs.

Update on Recently Enacted Federal Pharmacy Benefit Manager (PBM) Legislation

Joe Tuschner (NAIC) updated the Task Force on federal legislation affecting PBMs. Tuschner discussed two pieces of PBM legislation passed under the Consolidated Appropriations Act of 2026.

First, Tuschner discussed PBM legislation which applies to self and fully funded group health plans. Beginning August 3rd, 2028, PBMs must pass through 100% of drug rebates and discounts to the health plan or the health insurance issuer. Additionally, PBMs may only charge a flat service fee to those plans. The legislation does not ban spread pricing by PBMs; however, the new law does create new transparency requirements that could make the existence of spread pricing more apparent. These transparency requirements obligate PBMs to report certain data to plans and insurers that disclose prescription drug spending, drugs costs, spread pricing arrangements, formulary placement rationale, information about benefit designs, and the use of pharmacies affiliated with the PBM. The reporting requirements are more extensive for plans with more than 100 participants.

Second, Tuschner discussed PBM legislation which applies to Medicare Part D Prescription Drug Plans. For those plans, the law would delink PBM compensation from the price of a drug or the price of rebate. Similar to the requirements applicable to group health plans, PBMs must pass through rebates and discounts to plans and may only charge a flat service fee to those plans. Additionally, PBMs must share with plan sponsor an explanation of the PBM's contracts with drug manufacturers. The law also grants greater oversight to HHS, including more authority to define

what is considered reasonable with regard to the “any willing provider” pharmacy provisions of federal law. The requirements applicable to Part D plans go into effect January 1, 2028.

Discussion and Possible Adoption of the Revised State Flexibility White Paper

Commissioner Marie Grant (NAIC) led a discussion regarding the revised *State Flexibility White Paper*. The Health Innovations Working Group was tasked by the (B) Committee to develop a White Paper on state flexibilities under ACA sections 1331, 1332, and 1333. The Working Group developed and exposed the initial White Paper draft last December. The work of developing the White Paper was transferred to the Regulatory Framework (B) Task Force. The Task Force has received six comment letters and, based on the comments received, developed a revised draft White Paper. The Task Force distributed the revised draft and posted it on the Task Force’s Website. The Task Force adopted the revised *State Flexibility White Paper*, which the Health Insurance and Managed Care (B) Committee will consider for adoption during its March 25 meeting.

Employee Retirement Income Security Act (ERISA) (B) Working Group

The Employee Retirement Income Security Act and Alternative Health Coverage (B) Working Group met on March 24th, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of Minutes

The Working Group adopted its Feb. 26 meeting minutes.

Discuss Comments Received on the Guidance Document: ERISA Preemption and State Pharmacy Benefit Manager (PBM) Laws

Andria Seip (IA) led a discussion regarding comments received on the Guidance Document. The Working Group has received comments from the National Association of Community Pharmacists, the Pharmaceutical Care Management Association, the Consumer Representatives, and America's Health Insurance Plan on the *Erisa Preemption and State Pharmacy Benefit Manager Laws Guidance Document*.

The Working Group received several comments regarding the relationship between the Guidance Document and the ERISA Handbook. While the ERISA Handbook is based on settled law, the Guidance Document is in flux; however, the drafting group plans to put citations and references to the ERISA Handbook in the Guidance Document. The Working Group also discussed comments which suggested adding policy or opinion language regarding PBMs and PBM laws to the Guidance Document. However, the drafting group wants the Guidance Document to be a fact-based document and does not plan to add policy or opinion language at this time. The Working Group and drafting group intends for the drafting process to be as transparent as possible and will continue to consider comments as they are received.

The draft of the Guidance Document is the work product of a small drafting group of regulators. The drafting group met most recently on March 16th. The drafting group has been reviewing the Guidance Document in sections. Sections 1 and 2 have been reviewed, and Section 3 will be reviewed in the near future, following the NAIC Spring National Meeting. Given the volume of comments received, the Working Group recommended that the drafting group continue its biweekly meetings and put together a revised draft of the Guidance Document that can be reviewed and re-exposed in light of the comments it has received.

Discuss Next Steps

Andria Seip (IA) led a discussion regarding some of the Working Group's 2026 charges and next steps. Regarding level-funded plans, the Working Group has begun drafting an outline for a level-funded paper. The Working Group plans to form a small drafting group to review the outline and create a draft paper to expose to the public.

Additionally, the Working Group discussed its new 2026 charge: to monitor analyze, and report, as necessary, developments related to excepted benefits coverage, short-term, limited duration (STLD) coverage, health sharing ministry coverage (HSMC), and coverage that is offered and marketed as a substitute for, or an alternative to, comprehensive medical coverage.

With this new charge, the Working Group has requested feedback from Working Group members, interested regulators, and other stakeholders regarding how best to address this charge by April 30th. At the Working Group meeting, interested regulators and parties suggested the creation of a repository of state law that addresses enforcement actions, misleading marketing, and other practices related to excepted benefits coverage. Interested regulators and parties also suggested that the Working Group collect data and hold a data call regarding state guidance and best practices regarding excepted benefits.

Discussion of Other Matters

The Working Group anticipates that it will be holding regulator-only calls this spring and will be working in collaboration with the Improper Marketing and Health Insurance Working Group on matters impacting both Working Groups.

Health Care Affordability and Mitigation (B) Working Group

The Health Care Affordability and Mitigation (B) Working Group met on March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Working Group adopted its March 10 minutes.

Discussion of 2026 Charges and Work Plan

The Working Group discussed its 2026 Charges and Work Plan. During its March 10th meeting, The Working Group discussed its focus on factors that drive rising costs and higher insurance premiums as well as coverage losses. The Working Group discussed a Kaiser Family Foundation poll, which found that health care costs are up, among 80 percent of returning ACA enrollees, that 1 in 6 enrollees doubt they can afford their premiums without cutting back on basic household expenses, and also found that 1 in 10 enrollees dropped their marketplace coverage and are now uninsured.

In the March 10th meeting, the Working Group discussed producing a document to help states choose options for improving affordability. The Working Group plans to compile a collection of briefs that highlight effective policy changes that have been or could be implemented to address affordability of coverage. Moving forward, the Working Group plans to focus on addressing policy changes intended to improve affordability.

Presentation from Brown University and the Colorado Consumer Health Initiative (CCHI) on Hospital Costs

Lindsey Murtagh (Brown University) and Adam Fox (CCHI) gave the Working Group a presentation that focused on hospital pricing, affordability challenges, and potential solutions to high hospital costs. Murtagh and Fox recommended increased hospital financial and ownership reporting and transparency as well as increased accountability and regulatory oversight for nonprofit hospitals and for mergers, acquisitions, and private equity.

Presentation from the Center on Budget and Policy Priorities (CBPP) and Georgians for a Healthy Future on State-Based Marketplace Strategies for Controlling Costs

Claire Heyison (CBPP) and Laura Colbert (GHF) delivered a presentation focusing on how state-based marketplaces (SBMs) can make coverage more affordable. Heyison and Colbert focused on reducing barriers to SBM enrollment by implementing targeted outreach strategies, facilitated

enrollment and increased consumer support. Heyison and Colbert also recommended state-funded premium wraps which have been shown to directly lower the cost of premiums for eligible state residents. Heyison and Colbert also recommended implementing enhanced rate review procedures aimed at holding insurers accountable by ensuring that rate increases are reasonable and justifiable.

Property and Casualty Insurance (C) Committee

The Property and Casualty Insurance (C) Committee met March 25, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of its 2025 Fall National Meeting Minutes

The Committee adopted its 2025 Fall National Meeting minutes.

Adoption of its Revised 2026 Charges

The Committee adopted its revised 2026 charges. The revisions eliminate the Catastrophe Insurance (C) Working Group and the NAIC/Federal Emergency Management Agency (FEMA) (C) Working Group, with those responsibilities transitioning to the Natural Catastrophe Risk and Resilience (EX) Task Force. The revised charges also include new items related to development of a ratemaking white paper and creation of a Homeowners Market Report Working Group.

Adoption of the Reports of the Committee's Task Forces and Working Groups

- A. **Casualty Actuarial and Statistical (C) Task Force.** The Task Force met March 23, 2026. During this meeting, the Task Force discussed ongoing actuarial and statistical initiatives, including coordination among regulators on rate filing review practices and data-related issues. The Task Force also received updates on predictive analytics work and other technical initiatives and discussed continued coordination with other NAIC groups on actuarial and analytical matters.
- B. **Homeowners Market Data Call (C) Task Force.** The Task Force met March 24, 2026. During this meeting, the Task Force discussed implementation of the homeowners market data call, including timing, data collection, and coordination across jurisdictions. The Task Force also addressed next steps related to data validation and analysis and development of a homeowners market report.
- C. **Surplus Lines (C) Task Force.** The Task Force met March 23, 2026. During this meeting, the Task Force received updates on surplus lines market conditions and discussed regulatory and policy issues affecting the surplus lines marketplace, including ongoing monitoring of market trends and coordination with the Surplus Lines (C) Working Group.
- D. **Cannabis Insurance (C) Working Group.** The Working Group met March 24, 2026. During this meeting, the Working Group discussed developments related to cannabis insurance, including federal legislative activity and market conditions affecting availability of coverage.

The Working Group also addressed ongoing efforts to support development of admitted market capacity.

- E. **Terrorism Insurance Implementation (C) Working Group.** The Working Group met March 24, 2026. During this meeting, the Working Group received updates related to the Terrorism Risk Insurance Program and discussed coordination with federal agencies, as well as ongoing monitoring of terrorism risk insurance issues.
- F. **Title Insurance (C) Working Group.** The Working Group met March 24, 2026. During this meeting, the Working Group discussed updates to the Title Insurance Consumer Shopping Tool Template and other developments affecting the title insurance market, including consumer-focused initiatives.
- G. **Transparency and Readability of Consumer Information (C) Working Group.** The Working Group met March 24, 2026. During this meeting, the Working Group discussed initiatives to improve consumer understanding of insurance products, including development of disclosure guidance and consumer tools.
- H. **Workers' Compensation (C) Working Group.** The Working Group met March 24, 2026. During this meeting, the Working Group discussed workers' compensation market issues, including regulatory developments and coordination with industry organizations.

The Committee adopted all the reports of the Task Forces and Workings Groups without discussion.

Adoption of the Title Insurance Shopping Tool Template

The Committee adopted the Title Insurance Shopping Tool Template. The Working Group reported that the revisions reflect a comprehensive update, including expanded consumer guidance on topics such as attorney opinion letters, fraud risks, and affiliated business arrangements. The template also incorporates improvements to usability through plain language and comparison tools.

Update on the Affordability and Availability Playbook

The Committee received an update on the Affordability and Availability Playbook. A draft has been released for public comments, with comments due April 10, 2026. The Playbook is organized into multiple sections addressing market drivers, state responses, emerging risks, and implementation considerations. The drafting group expects to incorporate comments and expose a revised draft prior to the Summer National Meeting. The Chair noted that data collected through the

homeowners market data call will remain confidential, although a public report will be developed based on the data.

Discussion of Liability Insurance for Non-Profit Organizations

The Committee discussed issues related to the availability and affordability of liability insurance for nonprofit organizations, including childcare providers and related services. Regulators noted that rising losses, particularly from sexual abuse and molestation claims, have resulted in reduced market capacity and higher costs, with some organizations unable to obtain coverage.

The discussion also addressed contributing factors such as litigation trends and reinsurance pressures, and several members noted that the issue extends across multiple sectors, including foster care and behavioral health services. The Committee expressed support for establishing a new working group to further study the issue, with proposed leadership identified.

Presentation on Auto Insurance

The Committee heard a presentation from the Florida Office of Insurance Regulation regarding auto insurance market developments. Florida reported that prior market challenges were driven by litigation, fraud, and cost pressures, and that legislative reforms enacted between 2022 and 2023 addressed these issues.

The presentation noted improvements in market conditions following the reforms, including declining loss ratios, increased insurer participation, and rate reductions. Insurers have also issued premium credits and rate decreases, the overall trends indicate stabilization in the market.

Discuss Any Other Matters

An interested party requested additional time for stakeholder comments on the Affordability and Availability Playbook to allow for further review. The Committee indicated it would consider the request.

Homeowners Market Data Call (C) Task Force

The Homeowners Market Data Call (C) Task Force met on March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of 2025 Fall National Meeting Minutes

The Task Force adopted the 2025 Fall National Meeting Minutes without objection.

Update on the Status of the 2026 Homeowners Data Call

Commissioner Michael Yaworsky (FL) provided an update on the status of the 2026 homeowners market data call. He noted that the data call templates, definitions, and the \$50,000 premium threshold had previously been adopted. Since that time, additional states have continued to sign on to the data call, with approximately 50 jurisdictions participating as of the meeting date.

The NAIC is in the final stages of preparing and distributing data call letters to insurers on behalf of participating states. The letters will be sent to insurers that meet the premium threshold for the homeowners' line, as well as those reporting under the fire line on the annual statement. However, insurers writing only fire line business that is not relevant to homeowners or renters' coverage will not be required to submit data.

Data submissions will be due June 15, 2026, and no exemptions or extensions will be granted. The NAIC website has been updated with the data call template, definitions, instructions, validation rules, and frequently asked questions. A webinar is expected to be held in early April to walk through submission requirements and answer questions.

Report on the Homeowners Market Report Working Group

Commissioner Yaworsky (FL) discussed the creation of a new Homeowners Market Report Working Group under the Task Force, as directed by the Property and Casualty Insurance (C) Committee. The Working Group will be responsible for developing a public report based on the homeowners' market data call.

Commissioner Marie Grant (MD), who will serve as chair, emphasized the importance of broad state participation and noted that the report will reflect shared regulatory perspectives on market conditions. She stated that the effort will focus on producing a report that is useful, accurate, and representative of state experience.

Regulators also highlighted the importance of ensuring that publicly available data reflects accurate market conditions. It was noted that external sources and third-party reports may not

always align with regulatory data, and the Working Group’s report is intended to provide a reliable and authoritative view of the homeowners insurance market for policymakers and the public.

State Presentations on Use of Homeowners Market Data

The Task Force heard presentations from Missouri and Maryland regarding how states use homeowners market data and related data sets.

Missouri Presentation (Brad Gerling, MO Department of Commerce & Insurance)

Brad Gerling described Missouri’s use of ZIP code-level data, which the state has collected since 1988 and uses for market analysis, internal tools, and public reports. He noted that the homeowners market data call will provide a broader dataset than Missouri’s current collection and allow for more detailed analysis of trends such as premiums, deductibles, and coverage types.

Missouri has used its data to evaluate premium trends and better understand rate increases. Over a ten-year period, the data showed a significant increase in loss severity, with wind and hail losses identified as a primary driver of rising rates.

He also highlighted how the data is used in disaster response. After a 2025 tornado in the St. Louis area, Missouri combined its insurance data with American Community Survey data to estimate uninsured rates. The analysis showed that some areas had uninsured rates as high as 70% and were used to support disaster response efforts and funding.

Gerling emphasized that the data is most useful when combined with other sources, such as census or weather data, and can support both public reporting and internal regulatory work. He also noted that having a broader, more consistent dataset through the national data call will allow states to better analyze trends and compare results across jurisdictions.

Maryland Presentation (Raymond Guzman, MD Insurance Administration)

Raymond Guzman presented on Maryland’s use of the Property and Casualty Market Intelligence (PCMI) data call to analyze homeowners market trends. He noted that the data call covered a significant portion of the market and was used to support internal reports and presentations to other state agencies on issues such as affordability, availability, and the impact of climate-related risks.

Maryland’s analysis focused on key questions, including whether insurers are increasing deductibles, altering coverage types, limiting availability in higher-risk areas, or changing underwriting practices.

Findings from the data showed increases in premiums and policies in force over time, as well as trends in non-renewals, cancellations, and deductibles. The data also reflected a general increase in average premium costs and changes in coverage structures, including shifts toward higher deductibles and evolving coverage options.

Guzman noted that the data has been used to respond to legislative and stakeholder inquiries and to evaluate market conditions following severe events. He also emphasized the importance of supplementing the data with contextual information to better interpret trends and support policy decisions.

Market Regulation and Consumer Affairs (D) Committee

The Market Regulation and Consumer Affairs (D) Committee met on March 25th, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Committee adopted its 2025 Fall National Meeting minutes

Adoption of New Charge on Future of Market Conduct Regulation and Formation of Working Group

The Committee appointed the Market Conduct Regulation Modernization (D) Working Group and adopted the Working Group's initial charges: (1) assessing, with input from NAIC members and interested stakeholders, the current state of the market conduct regulatory framework and the need for changes in response to changing markets, business models, and consumer expectations; and (2) to provide recommendations for the improvement and modernization of the market conduct regulatory framework. Participation in the Working Group is open to all jurisdictions. The Working Group's initial areas for exploration include collection and analysis of market conduct data, interstate collaboration, market conduct examination handbook updates, training programs for staff turnover and new hires, workforce planning support, and entity oversight.

Adoption of the Pharmacy Benefit Manager (PBM) Licensure and Regulation Guidelines for Regulators.

The Committee adopted the *Pharmacy Benefit Manager (PBM) Licensure and Regulation Guidelines for Regulators*. The document is the product of extensive stakeholder input and multiple comment periods and is designed to serve as a PBM licensure and regulation guide for state regulators.

Update on the Development of a Cybersecurity Incident Response Framework

Danielle Torres (MI) updated the Committee on the development of a cybersecurity incident response framework. The Market Conduct Examination Guidelines (D) Working Group has been tasked with developing a cybersecurity incident response framework to develop protocols for multistate coordination following a cybersecurity event and to assist NAIC members in assessing the significance of cybersecurity events. The Working Group is in the early stages of discussions

regarding the framework, and a group of subject matter experts will draft an initial framework which will be subject to stakeholder input via comment periods.

Adoption of Task Force and Working Group Reports

The Committee adopted the reports of the Task Forces and Working Groups below:

- A. Antifraud (D) Task Force
- B. Producer Licensing (D) Task Force
- C. Advisory Organization (D) Working Group
- D. Market Actions (D) Working Group
- E. Market Analysis Procedures (D) Working Group
- F. Market Conduct Annual Statement Blanks (D) Working Group
- G. Market Conduct Examination Guidelines (D) Working Group
- H. Market Information Systems (D) Working Group
- I. Market Regulation Certification (D) Working Group
- J. Pharmacy Benefit Management (D) Working Group
- K. Speed to Market (D) Working Group

Update from the Big Data and Artificial Intelligence (H) Working Group on the AI Systems Evaluation Tool Pilot

Mary Block (VT) updated the Committee on the status of the Big Data and Artificial Intelligence (H) Working Group's recent work on the AI Systems Evaluation Tool. Earlier this year, the Working Group finalized a draft of its initial AI Systems Evaluation Tool. This Tool represents the Working Group's latest step to adapt examination and related processes to insurance company use of AI. It is intended to provide regulators with an optional resource to assist and evaluate a company's use of AI systems. The latest version of Tool can be found online under the documents tab of the Working Group's webpage.

Block also updated the Committee regarding the status of the Tool's pilot process. The pilot process will be how regulators field test the tool prior to the discussion of the Tool's adoption. The pilot officially started in March, at which time all regulators were cleared to send inquiries related to the tool. The pilot group regulators are holding weekly calls to coordinate company selection, share insight on responses, and receive training on the Tool as well as related data science, compliance, and governance concepts reflected in the Tool. Each regulator has sent inquiries to a range of companies. The decision of which companies to be used to test the Tool is up to each pilot state regulator, but each regulator is generally engaging with domestic companies. Most pilot states selected between 1-10 insurers. The Tool is being used for market conduct exams, financial analysis, and general regulatory inquiries.

Communication throughout the pilot process is key, and the pilot state regulators are openly communicating throughout the process. The Working Group has stressed the importance of open lines of communication between participating companies and regulators. The Working Group anticipates creating a coordinated mechanism to solicit feedback on the tool for participating companies.

Pharmacy Benefit Management (D) Working Group

The Pharmacy Benefit Management (D) Working Group met on March 23rd, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Working Group adopted its February 5th and 2025 Fall National Meeting minutes.

Discussion on the Impact of Recently Enacted Federal Pharmacy Benefit Manager (PBM) Legislation and Recent Federal Trade Commission (FTC) Settlement on State PBM Laws

Allison Shields (NAIC) led a discussion on the impact of recently enacted federal PBM legislation and the recent FTC actions on state PBM laws. Shields first discussed the settlement agreement reached between FTC and Express Scripts. Although the agreement is specific to Express Scripts, it may represent a federal expected standard of practice. The FTC resolved its complaint against Express Scripts regarding deceptive rebate practices for insulin and other medications. The consent order included many remedies to be implemented by January 2027. Under the 10-year agreement reached between the FTC and Express Scripts, if a plan sponsor adopts a formulary that includes an insulin covered by the Patient Assurance Program, Express Scripts must give all members buying that insulin full access to the program unless the plan sponsor opts out in writing. Other portions of the Agreement include low WAC non-discrimination provisions and a requirement that member cost-sharing be tied to net cost not list price. Additionally, provisions of the agreement require Express Scripts to avoid spread pricing and to delink fees paid by manufacturers from the list price. Shields noted that FTC is expected to reach similar settlements with Optum and Caremark.

Shields also discussed recent federal PBM legislation. Congress passed the Consolidated Appropriations Act (“CAA”) of 2026 on February 3rd, 2026. The legislation included a package of PBM reforms across the commercial market and Medicare Part D. The reforms center on rebate-pass through increased transparency, standardized reporting, and expanded federal oversight.

Regarding Medicare Part D, the CAA expands the definition of PBM beyond traditional PBMs to include rebate aggregators, group purchasing organizations, and utilization management entities. The CAA permits PBMs that act on behalf of Part D plan sponsors to receive compensation related to Part D drug utilization but only in the form of a bona fide service fee, which is a flat dollar payment reflecting the fair market value of the service actually performed. The CAA prohibits PBMs from receiving any other income tied to Part D drug utilization. The CAA also requires sponsors and PBMs to structure their agreements to apply key terms in a transparent and consistent manner. The CAA imposes an annual reporting scheme where PBMs are required to

provide additional data to plan sponsors and the HHS. PBMs will be responsible for civil monetary penalties imposed on a sponsor due to noncompliance.

Regarding the commercial market, the CAA extends federal oversight to PBMs servicing self-funded ERISA group plans and those offering group health insurance coverage. The CAA requires PBMs that provide services to group health plans or health insurance issuers offering group health insurance coverage to comply with new requirements. The CAA creates a mandatory semi-annual reporting framework for plans with 100 or more participants. PBMs are required to report total spending by the plan and participants, spread pricing information, formulary design, and affiliated pharmacy disclosures among other items. Regardless of the number of plan participants, PBMs will need to provide their plan sponsors summary reports showing overall prescription drug costs and utilization rights. These reports are to be provided to individual participants and beneficiaries. Regarding PBM contracts, PBMs may not enter into contracts that limit the PBM's ability to provide these required reports and must include provisions in their upstream contracts requiring each counterparty to furnish all information required by the PBM to prepare and deliver the reports. Additionally, PBMs must fully disclose and remit 100% of drug rebates and alternative discounts to clients on a quarterly basis. This applies to new contracts, extensions, or renewals, and PBMs are required to make rebate records available to plan clients. These laws go into effect in 2028. Moving forward, the NAIC Legal Division will update the Working Group on federal law as it is implemented.

Update on Potential State Based Systems (SBS) Changes to Better Handle PBM Complaints

Susan Jennette (DE) updated the Working Group on the potential SBS changes to better handle PBM complaints. The Working Group has been working with the SBS team, has received input from regulators and industry regarding potential changes, and has developed an online complaint form. It is expected that the changes will be finalized by the end of 2026.

Discuss the Revised Draft PBM Examination Chapter and Possibly Consider Referral to the Market Conduct Examination Guidelines (D) Working Group for its Consideration

Joylynn Fix (WV) led a discussion regarding the revised draft PBM Examination Chapter. The revised draft reflects many of the comments received on the initial November 25th, 2025, draft. Based on comments received from the Alabama Department of Insurance, the Working Group decided to consider additional draft revisions. These potential revisions include adding claims information and un-redacting contract information to the rebates section of the draft, addressing alternative funding programs in the claims section of the draft, adding language which addresses Artificial Intelligence, adding a reference to federal law, and introducing a clearer definition and description of chain, independent, and long-term care pharmacies.

The Pharmacy Benefit Manager Examination Chapter Drafting Group plans to meet in April to discuss additional revisions and comments. The Working Group expects to complete the revisions prior to the

Summer National Meeting and to refer to the revised draft to the Market Conduct Examination Guidelines (D) Working Group for its consideration.

Financial Condition (E) Committee

The Financial Condition (E) Committee met on March 25, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Consider Adoption of its 2025 Fall National Meeting Minutes

The Financial Condition (E) Committee adopted its 2025 Fall National Meeting minutes.

Adoption of the Reports of its Task Forces

- A. Accounting Practices and Procedures (E) Task Force
- B. Capital Adequacy (E) Task Force
- C. Financial Stability (E) Task Force
- D. Invested Assets (E) Task Force
- E. Reinsurance (E) Task Force

The Task Force reports were adopted as presented.

Receive an Update on the Artificial Intelligence (AI) Systems Evaluation Tool and Pilot

Commissioner Kaj Samsom (VT) provided an update on the AI Systems Evaluation Tool and the pilot currently in process. He explained that the tool is intended to give regulators an optional resource to evaluate insurers' use of AI and functions similarly to an audit program or checklist to guide review. The tool is designed to help regulators assess governance, testing, data use, and potential risks associated with AI systems.

The pilot began earlier in the month, with approximately 11 or 12 states participating. Regulators in those states are using the tool across a range of processes, including market conduct reviews, financial examinations, financial analysis, and general inquiries. Participating regulators are holding regular calls to coordinate efforts, share insights, and receive training on the tool and related concepts. Companies selected for the pilot vary, though most are property and casualty and life insurers.

He noted that communication during the pilot is a key focus, including coordination among regulators and engagement with companies. The working group expects to gather feedback from participating companies and regulators to evaluate the tool's effectiveness and identify any needed refinements.

Receive an Update on the Work of the Invested Assets (E) Task Force

Carrie Mears (IA) provided an update on the newly formed Invested Assets (E) Task Force, which recently replaced the Valuation of Securities Task Force and now includes three working groups. She highlighted that the Investment Designation Analysis Working Group received an annual report from the Securities Valuation Office showing a significant increase in private letter rating rationale reports, increasing from roughly 8,000 at the end of 2024 to over 12,000. She noted that this increase is creating strain on resources and that additional analysis and potential next steps will be brought back to the Committee.

Mears also noted that the Credit Rating Provider Working Group is planning an open meeting in late April, where PricewaterhouseCoopers is expected to provide a substantive update on its due diligence work. The Investment Analysis Working Group has begun developing a six-month plan, which includes reviewing residential mortgage loans, Level 3 assets, and new Schedule D reporting lines, along with other topics. She emphasized that the agenda may evolve depending on developments in annual statement data but that the group intends to remain transparent in its work.

Receive an Update from the Statutory Accounting Principles (E) Working Group Regarding a Coinsurance/Yearly Renewable Term (YRT) Referral

Kevin Clark (IA) provided an update on the referral from the Committee related to permitted practices for combination coinsurance and YRT contracts. He explained that the Working Group focused on two items: providing additional education on how permitted practices may be used to address transition issues for existing contracts and considering whether additional tools were needed for states that do not allow permitted practices.

An example permitted practice was distributed to chief financial regulators to provide guidance on how to structure an approach that allows for an orderly transition while addressing solvency concerns. The Working Group also conducted a survey to determine whether additional flexibility was needed. All 47 responses indicated that no additional tools or flexibility were necessary beyond the existing permitted practice process. The Working Group reported back to the Committee that no further action is needed at this time.

Consider Adoption of Proposal 2025-20-CR (Wildfire Rcat Implementation)

Tom Botsko (OH) presented Proposal 2025-20-CR, which adds wildfire risk to the catastrophe risk component of the property and casualty RBC formula. He explained that while catastrophe risk has been considered historically, wildfire risk has increased significantly in recent years, leading to this proposal.

NAIC staff reviewed recent data and found that the impact on RBC action levels is limited, with minimal changes observed. The proposal was exposed for comment with no comments received and was adopted by the relevant working groups and task force prior to being brought to the Committee.

The Committee adopted Proposal 2025-20-CR.

Receive Background and an Update on Proposed Changes to Collateral Loan Risk-Based Capital (RBC) for Life Insurers

Ben Slutsker (MN) provided an update on proposed changes to RBC treatment for collateral loans. He explained that current RBC charges apply a flat factor to these loans, even though the underlying collateral may be significantly riskier. The proposal under consideration would apply a look-through approach, where the RBC charge reflects the risk of the underlying collateral rather than the loan itself.

He noted that there are currently two approaches under consideration, one using a fixed percentage reduction and another using varying reductions based on over-collateralization levels. While there is general agreement on using a look-through approach, further work is needed to finalize the methodology.

Slutsker stated that the working group is targeting an effective date of year-end 2027 to allow time for implementation. He emphasized that no action was being taken at this time and that the update was intended to inform the Committee of ongoing work.

Accounting Practices and Procedures (E) Task Force

The Accounting Practices and Procedures (E) Task Force met on March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of 2025 Fall National Meeting Minutes

The 2025 Fall National Meeting minutes were adopted.

A. Adopted Statutory Accounting Principle Concepts and Clarifications

The Working Group adopted the following statutory accounting principle concepts and clarifications to statutory accounting guidance:

1. Adopted revisions to SSAP No. 3, SSAP No. 51, and SSAP No. 52 to provide guidance on the optional implementation period for Valuation Manual revisions regarding the economic scenario generator and non-variable annuities. (Ref #2025-34)
2. Adopted proposed concepts for an interest maintenance reserve (IMR) proof of reinvestment developed by the IMR Ad Hoc Group and directed NAIC staff to continue working with industry to refine templates. (Ref #2025-23)
3. Adopted revisions to SSAP No. 22, Leases, to clarify that sale-leasebacks with restrictions on access to cash or assets received from the sale do not qualify for sale-leaseback accounting and must be accounted for using the financing method. (Ref #2025-01)
4. Adopted revisions to SSAP No. 40 and SSAP No. 90 to delete shaded text instructions and previously superseded guidance. (Ref #2025-32)
5. Adopted revisions to SSAP No. 47, Uninsured Plans, to clarify inconsistencies in the disclosure calculation and communicated support for related blanks updates to Note 18B gains and losses on administrative services contracts. (Ref #2025-30)
6. Adopted revisions to SSAP No. 56, Separate Accounts, to address non-admittance for assets held under a general account basis and supported corresponding blanks revisions. (Ref #2025-25)
7. Adopted revisions to SSAP No. 103 to allow repurchase agreements with maturities exceeding one year to be admitted assets. (Ref #2025-28)

8. Adopted revisions to Interpretation (INT) 05-05 to reflect the end of the Medicare Part D coverage gap discount program and incorporate the replacement CMS manufacturer discount program. (Ref #2025-31)
9. Annual statement blanks:
 - a. Adopted revisions to clarify reporting of debt securities and improve consistency in reporting. (Ref #2025-29)
 - b. Adopted revisions to modernize expense descriptions and categories. (Ref #2025-33)

B. Exposed Statutory Accounting Principle Concepts and Clarifications

The Working Group exposed the following statutory accounting principle concepts and clarifications to statutory accounting guidance for a public comment period ending May 1, 2026:

1. Re-exposed revisions to SSAP No. 1 regarding restricted asset reporting codes. (Ref #2025-27)
2. Exposed editorial revisions across various SSAPs to replace “CUSIP” with “Security Identifier,” add “U.S.” before GAAP references, and revise terminology related to Federal Home Loan Bank agreements. (Ref #2026-03EP)
3. Exposed revisions to SSAP No. 52 to incorporate disclosure requirements for funding agreement-backed notes (FABNs) and similar structures, including a referral from the Macroprudential (E) Working Group. (Ref #2026-01)
4. Exposed revisions to SSAP No. 61 and related blanks and instructions to require funds withheld liabilities to be recorded at book/adjusted carrying value (BACV) of the underlying assets and to remove legacy fair value guidance. (Ref #2026-02)
5. Exposed a new SSAP and issue paper to establish an amortized cost measurement framework for qualifying asset-liability management (ALM) derivative programs. (Ref #2024-15)
6. Exposed a draft issue paper regarding residential mortgage loans held in qualifying statutory trusts to document previously adopted guidance. (Ref #2025-13)

C. Directed NAIC Staff

The Working Group directed NAIC staff to:

1. Defer further action on SSAP No. 61 pending input from the Reinsurance (E) Task Force regarding the appropriate treatment of IMR in reinsurance transactions, including consideration of symmetrical versus asymmetrical approaches. (Ref #2025-22)
2. Work with industry to consolidate and clarify disclosure requirements for commitments and contingent commitments across multiple SSAPs, including development of a comprehensive disclosure framework. (Ref #2025-24)
3. Work with a limited industry group to develop proposed revisions to SSAP No. 48 to address consistency issues in accounting for joint ventures, partnerships, and limited liability companies. (Ref #2025-26)

D. Received Updates

The Working Group received updates on the following items:

1. A referral from the Financial Condition (E) Committee regarding permitted practices, including a survey of regulators that confirmed no additional tools beyond existing permitted practice authority are needed.
2. IMR Ad Hoc Group activities, including development of revisions to SSAP No. 7 and anticipated future exposure of updated guidance and related reporting changes.
3. Coordination with interested parties to address a referral from the Life Risk-Based Capital (E) Working Group regarding AVR equity reporting lines for subsidiary, controlled, and affiliated investments.
4. U.S. GAAP exposure activity, noting that no items are currently exposed by the Financial Accounting Standards Board.
5. International Association of Insurance Supervisors (IAIS) Accounting and Auditing Working Group activities, including discussions related to insurance capital standards and disclosure frameworks.

Statutory Accounting Principles (E) Working Group

The Statutory Accounting Principles (E) Working Group met on March 23, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Working Group adopted minutes from the Fall 2025 National Meeting.

Review and Adoption of Non-Contested Positions

The Working Group adopted the following items, which received no comments:

- Ref #2025-25 – Separate Account Non-admitted Assets: Adopted revisions to SSAP No. 56 to require assets reported on a book value basis within separate accounts to follow general account non-admittance rules and to incorporate non-admitted assets into the separate account balance sheet and schedules.
- Ref #2025-30 – Administrative Services Contracts Disclosure Clarification: Adopted revisions to SSAP No. 47 and Annual Statement Note 18B to correct the calculation of net gain or loss on administrative services contract plans.
- Ref #2025-31 – Updated Coverage Gap: Adopted revisions to reflect the end of the Medicare Part D coverage gap discount program and incorporate references to the Manufacturer Discount Program effective in 2025.
- Ref #2025-32 – Remove Shaded Text: Adopted revisions to remove legacy shaded text representing superseded guidance from SSAP Nos. 40 and 90.
- Ref #2025-33 – Updates to Annual Statement Expense Descriptions and Categories: Adopted revisions to modernize outdated terminology in expense reporting categories, with no substantive accounting changes.
- Ref #2025-34 – Updates on Economic Scenario Generator and Non-Variable Annuities: Adopted revisions to coordinate SSAP guidance with Valuation Manual updates, including ESG references and VM-22 implementation, and to clarify treatment as a change in valuation basis.

Review of Comments on Exposed Items

- Ref #2025-01 – Sale-Leaseback Clarification: Adopted revisions to SSAP No. 22 clarifying that transactions with restricted access to proceeds do not qualify as sale-leaseback accounting and instead must be treated as financing arrangements. The revisions apply to contracts in effect on or after March 23, 2026.
- Ref #2025-22 – IMR Impact to Reinsurance Collateral: Deferred action pending further input from the Reinsurance (E) Task Force. Discussion focused on whether a symmetrical or asymmetrical approach should be used in reflecting IMR in reinsurance collateral calculations.
- Ref #2025-23 – IMR Proof of Reinvestment: Adopted the concept of a proof of reinvestment test to support admission of negative IMR, with further refinement of the calculation and templates to occur as part of the broader IMR project.
- Ref #2025-24 – Commitments and Contingencies Disclosures: Directed NAIC staff to continue working with industry and coordinate with the Capital Adequacy (E) Task Force to clarify definitions, particularly for contingent commitments, and to ensure consistent reporting for RBC purposes.
- Ref #2025-26 – SSAP No. 48 Equity Changes: Directed NAIC staff to work with a small industry group to address inconsistencies in reporting under SSAP No. 48 and align guidance with Annual Statement instructions.
- Ref #2025-27 – SSAP No. 1 Modco/Funds Withheld Codes: Re-exposed revisions to incorporate modco and funds withheld codes into restricted asset reporting and align statutory guidance with the Annual Statement blanks.
- Ref #2025-28 – Non-admittance of Long-Term Repos: Adopted revisions to SSAP No. 103 to allow repurchase agreements with maturity dates greater than one year to be admitted.
- Ref #2025-29 – Reporting Clarification: Adopted revisions supporting blanks proposals to improve consistency in reporting, including updates related to debt securities reporting.

Maintenance Agenda – Pending List

- Ref #2025-13 – Residential Mortgage Loans Held in Statutory Trusts: Exposed a draft issue paper documenting previously adopted guidance permitting qualifying statutory trust structures to be reported under SSAP No. 37 with Schedule B reporting.

- Ref #2026-01 – Disclosure of FABNs and Similar Structures: Exposed proposed revisions to SSAP No. 52 to add disclosures and glossary definitions for funding agreement-backed structures, including additional detail on collateral, maturity, and structure type.
- Ref #2026-02 – Valuation of Funds Withheld: Exposed revisions to clarify that funds withheld liabilities should be reported at book adjusted carrying value, consistent with the corresponding assets, and to remove outdated fair value references.
- Ref #2026-03EP – Spring Editorial Changes and Maintenance Update: Exposed editorial revisions, including terminology updates and clarifications to existing SSAP language.

Maintenance Agenda – Active Listing

- Ref #2024-15 – ALM Derivatives: Exposed proposed SSAP guidance and an issue paper for derivatives used in asset liability management. The proposal introduces an amortized cost approach, limits deferred accounting to effective programs, includes transition guidance, and requests feedback on reporting, disclosures, and admittance of deferred losses.

Directed NAIC Staff on the Following Items

- Ref #2025-22 – IMR Impact to Reinsurance Collateral: Directed NAIC staff to defer further action until a response is received from the Reinsurance (E) Task Force.
- Ref #2025-24 – Commitments and Contingencies: Directed NAIC staff to work with industry and the Capital Adequacy (E) Task Force to develop clearer and more consistent disclosure requirements.
- Ref #2025-26 – SSAP No. 48: Directed NAIC staff to collaborate with a limited industry focus group to develop proposed revisions for further review.

Any Other Matters Brought Before the Working Group

- Financial Condition (E) Committee Referral: Adopted a response concluding that no additional tools are needed beyond permitted practices to address transition issues for combination reinsurance contracts.
- IMR Ad Hoc Subgroup Update: NAIC staff reported significant progress on revisions to SSAP No. 7 and related IMR guidance, with exposure of a comprehensive IMR package expected in the near term. Data analysis indicates continued growth in negative IMR across the industry.

- Referral from Life Risk-Based Capital (E) Working Group: NAIC staff will continue working with interested parties to clarify AVR reporting categories for SCA common stock.
- U.S. GAAP Exposures: No current exposure drafts were identified; future updates will be addressed through the SAP maintenance process.
- IAIS Audit and Accounting Working Group Update: Provided an update on international developments, including discussions related to crypto asset classification and Insurance Capital Standard implementation.

Comment Deadline

The comment deadline for all exposed items is May 1, 2026, with further consideration anticipated during the SAPWG May meeting.

Capital Adequacy (E) Task Force

The Capital Adequacy (E) Task Force met on March 24th, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Task Force adopted its January 30th, 2026, and November 19th, 2025, meeting minutes.

Adoption of Working Group Reports

The Task Force adopted the following Working Group reports:

- A. Risk-Based Capital Investment Risk and Evaluation (E) Working Group
- B. Life Risk-Based Capital (E) Working Group
- C. Property and Casualty Risk-Based Capital (E) Working Group
- D. Health Risk-Based Capital (E) Working Group

Adoption of Proposal 2025-17-L (LR027 Scope Clarification)

The Committee adopted Proposal 2025-17-L. The proposal clarifies that for LR027 in the Life and Fraternal RBC blanks, companies that reserve for payout annuities resulting from variable annuities under VM-21 (which requires domiciliary commissioner approval) should exclude such reserves from the Interest Rate Risk and Market Risk calculation.

Adoption of Proposal 2025-19-CR

The Task Force adopted proposal 2025-19-CR. The proposal separates Earthquake and Hurricane Lines Experience Data in PR100s. The purpose of the proposal is to differentiate hurricane and earthquake losses, following the methodology applied to wildfire and severe convective storm events.

Adoption of Proposal 2025-20-CR

The Task Force adopted proposal 2025-20-CR. The proposal formally recommends adding wildfire peril to the Rcat component of PR027.

Consider Exposure of Proposal 2025-15-CA (A&H Underwriting Risk Structure Change)

The Task Force exposed proposal 2025-15-CA for a 30-day public comment period ending April 23rd. The proposal would implement changes to the structure of pages XR013, XR014, PR019, PR020, PR022, PR025, LR019, and LR020 based on the recommendations from the American Academy of Actuaries H-2 Underwriting Risk Reprot. The Academy's report presented a revised structure that more closely aligns the underwriting risk pages with lines of business as presented

in the Analysis of Operations of the Health Annual Statement. The report also recommended changing the implementation in Life and Property and Casualty RBC to mirror the line of business changes in Health. Additionally, the proposal implements a new alternative risk charge based on the Academy's recommendation that the multiple maximum individual risk be eliminated.

Discuss Elimination of Investment Subsidiaries

The Working Group discussed a referral from the Statutory Accounting Principles (E) Working Group regarding the elimination of the investment subsidiary concept. The Statutory Accounting Principles (E) Working Group recently adopted an agenda item supporting the elimination of the investment subsidiary concept from statutory reporting provisions and requesting RBC instruction and structure changes to accommodate the elimination of this concept for all lines of business. The Task Force exposed Proposal 2026-05-CA (Remove Investment Affiliate Code 4) for a 30-day public comment period ending April 23rd. The proposal would remove the investment subsidiary category in the blanks, instructions and formulas for all lines of business because of the recently adopted Blanks proposal 2025-20BWG.

Update from the American Academy of Actuaries (Academy) on its Risk-Based Capital (RBC) Ratio and Impairment Risk Research Project

Steve Jackson (the Academy) gave a presentation updating the Working Group regarding its RBC Ratio Impairment Risk Research Project. The project was designed to assess whether a meaningful relationship exists between RBC ratios and impairment risk. The Academy's research suggested three key takeaways: (1) if all companies are included in the data, RBC ratios, on their own and across all lines (P/C, Life and Health), show little meaningful relationship with impairment experience; (2) once very small insurers and companies with extremely high capital levels were removed from the research dataset, a much clearer and more stable predictive pattern emerged; and (3) RBC levels become materially less informative of impairment risk when ACL RBC ratios exceed 1000%.

Moving forward, the Academy plans to examine the relationship between the RBC ratios and impairment risk when accounting for other factors.

Life Risk-Based Capital (E) Working Group

The Life Risk-Based Capital (E) Working Group met on March 22, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of its Feb. 25, Feb. 10, and Feb. 11 Minutes

The Working Group adopted the Feb. 25 and Feb. 10 meeting minutes without discussion. The Working Group also adopted the Feb. 11 minutes from its joint session with the Variable Annuities Capital and Reserve (E/A) Subgroup.

Updates from its Subgroups

The Working Group received written updates from the Generator of Economic Scenarios (GOES) (E/A) Subgroup, the Longevity Risk (E/A) Subgroup, and the Variable Annuities Capital and Reserve (E/A) Subgroup and adopted the reports without discussion.

A. Generator of Economic Scenarios (GOES) (E/A) Subgroup

The GOES (E/A) Subgroup reported that it last met on October 29, 2025. At that meeting, it adopted revisions to the corporate model calibration, re-exposed the GOES Model Governance Framework, and exposed the NAIC's scenario review and validation procedures. The updated generator went into effect for principle-based reserves on January 1, 2026. Work is continuing at the Working Group level to apply GOES to RBC, and revisions to the RBC instructions are expected to be considered at the Spring National Meeting. The Subgroup also reported on updates to documentation and statistical reporting, improvements to incident tracking and remediation, and a proposal to update the GEMS software.

B. Longevity Risk (E/A) Subgroup

The Longevity Risk (E/A) Subgroup reported that it met on February 9, 2026. The Subgroup adopted prior meeting minutes and discussed approaches for calculating C-2 longevity risk for longevity reinsurance. It exposed Proposal 2026-07-L for a 35-day comment period ending March 26. The proposal would apply a principle-based approach for longevity reinsurance, which is not currently captured under the existing C-2 factors. The Subgroup plans to meet after the Spring National Meeting to review comments and consider adoption, with the intent to move the proposal to the Working Group for possible adoption for year-end 2026 reporting.

C. Variable Annuities Capital and Reserve (E/A) Subgroup

The Variable Annuities Capital and Reserve (E/A) Subgroup reported that it met on February 11, 2026, in joint session with the Working Group. The groups discussed comments on the re-exposed changes to the C-3 Phase I and Phase II framework and on the scope clarification for payout annuities. Updated proposals were re-exposed for a 23-day comment period, later extended to March 10, with the intent to review comments at the Spring National Meeting. The Subgroup also adopted the minutes from its October 31, 2025, joint meeting.

Proposal 2025-14-L (C-3 GOES Implementation)

The Working Group discussed comments on Proposal 2025-14-L, which would apply the updated economic scenario generator to RBC. The generator has already been adopted for reserves and was developed over several years to address issues with low-interest rate scenarios and equity volatility. The current proposal focuses only on incorporating the generator into RBC, as other items that were previously included have been set aside for future work.

The ACLI suggested changes to the discount rate, including moving from a one-year Treasury rate to a ten-year Treasury rate and replacing the 105 percent factor with a spread-based approach. Regulators generally supported looking at the ten-year Treasury as a simple interim step that better reflects how companies invest. There was less agreement on adding a spread at this stage. The discussion focused on this being a short-term solution until a net asset earned rate approach can be developed.

The Working Group agreed to re-expose the proposal for a 23-day comment period ending April 13 and asked for additional analysis to support any change to the discount rate.

Proposal 2025-16-L (Collateral Loans)

The Working Group discussed comments on Proposal 2025-16-L, which addresses RBC treatment for collateral loans. The discussion focused on timing and on how to apply the look-through approach.

On timing, the Working Group considered whether the changes should take effect for year-end 2026 or 2027. Several regulators noted that more time is needed to work through the data, calibration, and implementation. Others noted that the issue has been under discussion for some time. The Working Group conducted a straw poll, which showed a majority in favor of a 2027 effective date, and agreed to move forward on that basis.

On the structure, the ACLI suggested a framework that applies a base factor with adjustments based on overcollateralization levels. Regulators generally agreed with the goal of better aligning the capital charge with the underlying risk. At the same time, there were concerns about how reliable the collateral values are, especially for assets that are not easily observable, and whether the approach could create incentives around how loan-to-value is measured. There was also discussion about whether more data and analysis are needed to support the factors.

The Working Group agreed to re-expose the proposal for a 23-day comment period ending April 13. The re-exposure will ask for input on how collateral values can be verified and whether changes to the tiering approach, including how common loan-to-value levels are treated, would be appropriate.

Proposal 2025-17-L (LR027 Scope Clarification)

The Working Group considered Proposal 2025-17-L, which clarifies that annuities reserved under VM-21 are not included in C-3 Phase I because they are already captured under Phase II. No comments were received, and the proposal was adopted.

Presentation from the American Academy of Actuaries on RBC Ratios and Impairment Risk

The Working Group received a presentation from the American Academy of Actuaries on its analysis of RBC ratios and impairment risk. The initial results show that there is very little relationship between RBC ratios and impairment when looking across all companies. The relationship improves somewhat when smaller companies are removed or when focusing on certain ranges of RBC ratios, but it is still limited. The Academy noted that RBC ratios alone may not be a strong indicator of impairment and plans to continue the analysis with additional factors.

Other Matters

The Working Group received an update from the Health RBC Working Group on Proposal 2025-15-CA, which expands reporting lines and separates components of the investment income adjustment factor. The Working Group also noted that it expects to meet again in late April to discuss the re-exposed proposals and that the Longevity Risk Subgroup will meet in early April.

Health Risk-Based Capital (E) Working Group

The Health Risk-Based Capital (E) Working Group met on March 23rd, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of Minutes

The Working Group adopted its February 13 meeting minutes.

Consider Referral of Proposal 2025-15-CA MOD to the Capital Adequacy (E) Task Force

Steve Drutz (WA) led a discussion regarding Proposal 2025-15-CA MOD. This proposal implements the structural change in the American Academy of Actuaries H2 underwriting risk report as well as an update to the alternate risk charge. The proposal also includes a modification to line 12 on XR013, PR020, and LR020, separating it into 12.1 and 12.2 to implement the Academy's investment income adjustment. There were no new comments received on the proposed modifications.

The Working Group referred the proposal to the Capital Adequacy (E) Task Force.

Consider Exposure of Proposal 2026-03-CA (Underwriting Risk Investment Income Update)

Mr. Drutz led a discussion regarding the exposure of Proposal 2026-03-CA. This proposal is the annual update of underwriting factors for comprehensive medical, Medicare supplement, dental and vision for the investment income adjustment. However, this proposal is based on the structure and instructions in Proposal 2025-15-CA, which expands the lines of business and implements investment income adjustment as a standalone factor. The investment yield for the sixth-month US Treasury bond in January ranged from 3.56% to 3.63%. Investment yield amounts are included in the proposal. Based on the guidance adopted in 2022, any adjustments will be rounded up to the nearest half percent, meaning a 4% adjustment was utilized in the factors. This proposal will affect all RBC blanks.

The Working Group exposed Proposal 2026-03-CA for a 30-day public comment period ending April 22, 2026.

Discuss Underwriting Factor Three-Year Phase-In Analysis

Mr. Drutz led a discussion regarding an impact analysis of a three-year phase-in implementation of the one-year time horizon 87.5% risk percentile underwriting risk factors from the American

Academy of Actuaries' H2 Underwriting Risk Report. An analysis of a 3-year phase-in was performed on 2024 health filings and 2025 health filings received as of March 10, 2026. The

analysis was performed with both the current premium tiers and an increase to the tiers equal to a third of the increase the Academy included in the H2 Underwriting Risk Report. The number of Health Risk-Based Capital filings for 2025 is expected to increase through April 2026.

The Working Group exposed the impact analysis for a 30-day public comment period ending April 22nd.

Update from American Academy of Actuaries (Academy) on its Risk-Based Capital (RBC) Impairment Project

Steve Jackson (American Academy of Actuaries) gave a presentation updating the Working Group regarding its RBC Ratio Impairment Risk Research Project. The project was designed to assess whether a meaningful relationship exists between RBC ratios and impairment risk. The Academy's research suggested three key takeaways: (1) if all companies are included in the data, RBC ratios, on their own and across all lines (P/C, Life and Health), show little meaningful relationship with impairment experience; (2) once very small insurers and companies with extremely high capital levels are removed from the research dataset, a much clearer and more stable predictive pattern emerged; and (3) RBC levels become materially less informative of impairment risk when ACL RBC ratios exceed 1000%.

Moving forward, the Academy plans to examine the relationship between the RBC ratios and impairment risk when accounting for other factors.

Risk-Based Capital Investment Risk and Evaluation (E) Working Group

The Risk-Based Capital Investment Risk and Evaluation (E) Working Group met on March 23, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Adoption of its March 2, 2026, Meeting Minutes

The Working Group adopted the minutes from its March 2, 2026, meeting. It was noted that the Working Group also met in regulator-to-regulator session on March 19 to discuss comments and questions related to the Academy's CLO RBC presentation and related impact analysis.

Updates from the Invested Assets (E) Task Force and the Statutory Accounting Principles (E) Working Group

Update from the Invested Assets (E) Task Force

Carrie Mears (IA) provided a brief update, noting that the Task Force would be meeting the following day. She indicated that underlying working groups have been meeting in regulator-only sessions to prepare for the upcoming year. The upcoming meeting will include the first public session of the Investment Analysis Working Group and an educational presentation focused on residential mortgage investments by insurers.

Update from the Statutory Accounting Principles (E) Working Group

Kevin Clark (IA) summarized several investment-related items discussed by the SAPWG. The Working Group adopted revisions to SSAP No. 103 to allow admittance of long-term repurchase agreements, reflecting their economic characteristics and aligning treatment more closely with securities lending transactions. Long-term reverse repurchase agreements will continue to be non-admitted, with additional guidance provided on their financial statement treatment. A broader project to review repurchase and securities lending transactions, including potential convergence of accounting and disclosure requirements, is expected later this year.

SAPWG also exposed an agenda item regarding restricted asset reporting in investment schedules and whether those disclosures remain necessary given recent enhancements to Note 5 and related reporting, including new schedules detailing collateral. In addition, SAPWG exposed draft guidance addressing derivatives and hedge accounting, which would allow certain qualifying derivatives to amortize costs over time with gains and losses recognized as deferred assets or liabilities, replacing prior practices.

Clark also discussed ongoing work related to contingencies and commitments disclosures, including efforts to consolidate disclosures into a single location and ensure consistency with RBC reporting, as amounts reported in Note 14 are used in calculating RBC charges. The project was prompted by concerns that some companies may not be reporting the full scope of contingencies. A comprehensive review of SSAP No. 48 is also underway to address questions related to investment accounting.

Finally, Clark noted that 2025 financial statements are the first to reflect implementation of the principles-based bond definition, with revised reporting between Schedule D and Schedule BA and new filing requirements for certain securities to obtain reduced RBC charges. NAIC staff will also review reporting consistency and analyze residual tranches under recently adopted statutory accounting guidance, with additional information expected in 2026.

Update from the American Academy of Actuaries on the Collateralized Loan Obligation (CLO) Risk-Based Capital (RBC) Project

Stephen Smith (American Academy of Actuaries) presented an update on the Collateralized Loan Obligation (CLO) RBC project. He explained that the purpose of the presentation was to address questions raised during the March 2 meeting and to walk through certain sensitivities while the proposal remains out for comment through April 16.

He noted that the presentation focused on three areas: giving more detail on how the regression model works, showing how the results change based on key assumptions, and highlighting certain limitations. He walked through how the model produces C-1 factors, including the role of reinvestment horizon and interaction terms, noting that reinvestment horizon has a greater impact on lower-rated tranches and that some assumptions are applied across groups due to limited data.

A significant portion of the discussion focused on tranche thickness and the use of a 4% cutoff to distinguish between “thin” and “thick” tranches. Smith explained that the cutoff was selected based on patterns in the data, particularly for BBB-rated tranches, which make up most insurer holdings, and that the goal was to choose a dividing line that works well for that group. He showed that increasing the cutoff to 4.25% would lower charges for thick tranches and increase charges for thin tranches. Regulators asked how sensitive the model is to this assumption and whether it could lead to changes in how transactions are structured, which the Academy acknowledged could happen.

Smith also discussed limitations related to A-3 rated tranches, which represent a very small portion of the dataset (about 0.15%) and require judgment in assigning them to rating groups. He

noted that different approaches can lead to very different results and that there is no clear basis to prefer one approach over another given the limited data.

The presentation also addressed the use of conditional tail expectation (CTE 90) to measure risk, explaining that losses for CLOs tend to occur deeper in the tail and are not well captured by standard percentile measures. Regulators also asked about applying the model to middle market CLOs, and the Academy confirmed that the analysis is based only on broadly syndicated loan CLOs and would require additional data to extend to middle market structures.

Comments on Proposal 2025-22-IRE: CLO RBC Structure

Mark Aulik (ACLI) noted that ACLI is continuing to review the Academy's model and expects to provide comments in April. In the meantime, he recommended that the reporting structure remain flexible to accommodate different approaches.

ACLI suggested modifying the RBC blanks to allow for separate treatment of broadly syndicated loan (BSL) CLOs, middle market CLOs, and non-CLO assets, including additional rows to reflect differences in tranche thickness.

Regulators questioned whether separate treatment for middle market CLOs is necessary, noting that ratings appear to be predictive of loss for BSL CLOs. In response, it was noted that the Academy's analysis is based only on BSL CLOs. Regulators discussed whether a ratings-based approach could be applied consistently across both asset types, with tranche thickness considered separately.

Consider Exposure of Modified Proposal 2025-22-IRE MOD: CLO RBC Structure

The Working Group discussed next steps for the CLO RBC proposal, including an updated structure developed by NAIC staff incorporating tranche thickness. The Working Group agreed to expose the modified proposal for public comment through April 17 and to consider further refinements based on stakeholder feedback.

Discuss Any Other Matters Brought Before the Working Group

The Working Group noted that an additional call is expected in April to discuss residual tranches and the portfolio adjustment. Any resulting updates may be exposed for public comment as needed.

Joint Meeting of Catastrophe Risk (E) Subgroup and Property and Casualty Risk-Based Capital (E) Working Group

The Catastrophe Risk (E) Subgroup and the Property and Casualty Risk-Based Capital (E) Working Group Jointly met on March 23rd, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of Minutes

The Subgroup and Working Group adopted their November 12, 2025, and January 28, 2026, joint meeting minutes.

Consider Adoption of Proposal 2025-19-CR

The Subgroup and Working Group adopted proposal 2025-19-CR, which separates Earthquake and Hurricane Lines Experience Data in PR100s. The proposal was exposed for a sixty-day comment period ending January 11, during which time no comments were received.

Consider Adoption of Proposal 2025-20-CR

The Subgroup and Working Group adopted proposal 2025-20-CR. The proposal formally recommends adding wildfire peril to the Rcat component of PR027.

Consider Exposure of Proposal 2026-08-CR

The Working Group exposed proposal 2026-08-CR for a 30-day public comment period ending April 23rd. The purpose of this proposal is to eliminate questions D13 and D14 from PR027INT. This action was recommended because there are currently no clearly defined areas that are considered prone to convective storms. As a result, retaining these questions could lead to ambiguity and inconsistency in data collection and reporting.

Updates on the Severe Convective Storms Impact Analysis

Wanchin Chou (CT) gave an update on the sever convective storm impact analysis. A vendor model review is expected to begin in April 2026.

Discuss Flood Peril

The Working Group discussed flood peril. The discussion focused on availability and affordability. The Subgroup will continue to monitor flood peril as National Flood Insurance Program funding is still being considered at the federal level.

Receive an Update from the Health Risk-Based Capital (RBC) Premium and Loss Concentration Factors

The Subgroup and Working Group heard an update from the Health Risk Based Capital Working Group regarding Proposal 2025-25-CA MOD (A&H Underwriting Risk Structure Change), which is the accident and health underwriting risk structure change. The proposal expands the reporting lines on PR020 and separates the investment income adjustment factor into two lines – one line for the initial underwriting factor and one line for the excess underwriting factor – to better implement the standalone investment income adjustment that the academy provided.

Proposal 2025-15-CA MOD was exposed but no comments were received during the Health Risk Based Capital Working Group meeting on February 13th. The Working Group will consider referring the proposal to the Capital Adequacy Task Force for re-exposure.

The Health Risk Based Capital Working Group will also be discussing a way forward for possible risk factor increases in future Working Group meetings.

Discuss the Property and Casualty (P/C) Risk-Based Capital (RBC) Premium and Loss Concentration Factors

The Subgroup and Working Group discussed the American Academy of Actuaries' Report to the NAIC regarding Property and Casualty Risk-Based Capital Premium and Loss Concentration Factors. The Report emphasized the diversification credit for insurers with multiple lines of business. NAIC staff did an analysis comparing the RBC action levels under the current formula with those under the formula incorporating the factors the Academy recommended in its Report. The Academy recommended factors of 45% for premium and 65% for loss concentration. Currently, both of those factors are at 30%. This analysis indicated that the impact of the proposed changes was insignificant. NAIC staff are going to develop a proposal to implement these changes and will have further discussion and exposure at an upcoming meeting.

Update from the American Academy of Actuaries (Academy) on its RBC Ratio and Impairment Risk Research

Steve Jackson (American Academy of Actuaries) gave a presentation updating the Working Group regarding its RBC Ratio Impairment Risk Research Project. The project was designed to assess whether a meaningful relationship exists between RBC ratios and impairment risk. The Academy's research suggested three key takeaways: (1) if all companies are included in the data, RBC ratios, on their own and across all lines (P/C, Life and Health), show little meaningful relationship with impairment experience; (2) once very small insurers and companies with extremely high capital

levels were removed from the research dataset, a much clearer and more stable predictive pattern emerged; and (3) RBC levels become materially less informative of impairment risk when

ACL RBC ratios exceed 1000%. Moving forward, the Academy plans to examine the relationship between the RBC ratios and impairment risk when accounting for other factors.

Joint Meeting of the Investment Designation Analysis (E) Working Group and the Invested Assets (E) Task Force

The Investment Designation Analysis (E) Working Group and Invested Assets (E) Task Force met on March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting:

Investment Designation Analysis (E) Working Group

Adoption of the Valuation of Securities (E) Task Force 2025 Fall National Meeting Minutes

The Working Group considered adoption of the Valuation of Securities (E) Task Force minutes from the 2025 Fall National Meeting. As noted during the discussion, the Valuation of Securities (E) Task Force was disbanded in 2025, and the Investment Designation Analysis (E) Working Group has assumed most of its responsibilities.

The minutes were adopted.

Exposure of Proposed Amendment to the Purposes and Procedures Manual to Update the List of Credit Rating Providers

Ken Cotrone (CT) and NAIC staff presented a proposed non-substantive amendment to the Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual) to update the name of a credit rating provider. Specifically, HR Ratings de México, S.A. de C.V. requested for the name to be updated to HR Ratings LLC, which has been recognized by the U.S. Securities and Exchange Commission.

The amendment updates the NAIC list of credit rating providers to reflect this name change.

The Working Group voted to expose the proposed amendment for a 30-day public comment period ending April 24, 2026.

Discussion of Proposed Annual Statement Schedule Update for Security Identifiers and Referral to Other NAIC Groups

Charles Therriault (NAIC) presented a proposal to update the Annual Statement schedules to consolidate existing security identifiers (CUSIP, CINS, ISIN, and PPN) into a single reporting field, along with a corresponding identifier type field. The proposal also adds S&P Global's LoanX ID

and establishes a preferred hierarchy of identifier usage, with the goal of streamlining reporting and improving data validation.

The proposal further introduces a standardized approach to identifying the type of identifier reported, using single-letter codes (e.g., “C” for CUSIP/CINS, “I” for ISIN, “L” for LoanX ID, and “P” for PPN). In addition, guidance was provided for situations where a security identifier is not yet assigned or is not expected to be assigned. For newly issued securities without an assigned identifier, a temporary placeholder of all zeros would be permitted for the initial reporting period, after which it must be replaced with an all nines identifier if no identifier is assigned. Securities that are not expected to receive an identifier would also use the all nines placeholder. In both cases, these placeholders would not be associated with an identifier type but would still be subject to existing P&P Manual requirements for determining NAIC designations.

Industry representatives expressed support for the proposal, while noting the importance of system integration to avoid duplicative reporting burdens.

The Working Group directed NAIC staff to refer the proposal to the Blanks (E) Working Group, Capital Adequacy (E) Task Force, and Statutory Accounting Principles (E) Working Group for further consideration.

Exposure of Proposed Amendment to the P&P Manual for Analysis of Parent-Subsidiary Situations

Marc Perlman (NAIC) presented a proposed amendment to the P&P Manual to clarify the analysis of parent-subsubsidiary relationships. He explained that Part Three, paragraph 38, currently provides guidelines for assessing a subsidiary issuer based on its parent’s audited financial statements, but those guidelines are often interpreted as the exclusive method for such analysis. The amendment would clarify that the Securities Valuation Office (SVO) may also rely on other information it deems satisfactory, providing additional analytical flexibility beyond the prescribed criteria.

The Working Group voted to expose the proposed amendment for a 30-day public comment period ending April 24, 2026.

Receipt of the Securities Valuation Office (SVO) Annual Report on Carryover Filings for 2025

Charles Therriault (NAIC) presented the SVO annual report on carryover filings for 2025. The report noted a significant increase in filing volume, driven largely by growth in private letter rating (PLR) filings, which increased substantially over prior years. Overall filing volume increased by approximately 19.9% year over year.

The carryover rate also increased, and the report noted that PLR filings are distorting the overall carryover percentage. When PLR filings are excluded, the carryover rate for traditional filings is materially higher, indicating that SVO resources are being diverted to process PLRs and suggesting an analytical staffing constraint.

Working Group members discussed the need to evaluate SVO staffing and resource needs going forward, particularly in light of continued growth in PLR filings and the risk that increasing volume may further strain SVO operations.

Invested Assets (E) Task Force

Receive Status Reports from its Working Groups

- **Investment Designation Analysis (E) Working Group**

Ken Cotrone (CT) reported on the Working Group's activities, including recent actions to adopt prior meeting minutes, expose amendments to the Purposes and Procedures Manual, and refer proposals to other NAIC groups, as discussed above.

- **Credit Rating Provider (E) Working Group**

Jake Garn (UT) reported that the Working Group met in regulator-to-regulator session and received a presentation from PricewaterhouseCoopers on the draft credit rating provider due diligence framework and the status of the related data call. No formal action was taken. The Working Group expects to hold its first open meeting in April 2026, at which time the framework is expected to be exposed for public comment.

- **Investment Analysis (E) Working Group**

Carrie Mears (IA) reported that the Working Group recently met to establish its initial work plan, which includes review of residential mortgage loans, Level 3 assets, and reporting related to recent bond definition updates. The Working Group also submitted a proposal to the Blanks (E) Working Group to require clearer identification of the fair value hierarchy used in reporting, including instances where net asset value (NAV) is used. The proposal is expected to be exposed for public comment with a deadline of April 28, 2026.

Presentation on Insurance Company Investments in Residential Mortgage Loans

Stephen Smith, Stephen Zacny, and Dmitry Gasinsky (Neuberger Berman) presented on the increasing use of residential mortgage loans as an asset class for insurer investment portfolios. The presenters noted that residential mortgage loans have grown in importance due to their attractive risk-adjusted returns, diversification benefits, and strong housing fundamentals, including a sustained supply-demand imbalance. They emphasized that the asset class provides

stable performance, downside protection through real estate collateral, and broad diversification across borrowers and geographies.

The presentation highlighted that post-financial crisis underwriting standards, including “ability to repay” requirements, have strengthened credit quality relative to pre-2008 vintages, with historical and recent performance reflecting low loss rates. Growth has been concentrated in non-agency products, such as bank statement loans, investor rental property loans, and small balance

multifamily loans, which typically feature conservative underwriting, including high credit scores and low loan-to-value ratios.

The presenters emphasized that not all residential mortgage loans present the same level of risk despite being grouped under a single RBC category, noting that borrower credit quality (FICO) and loan-to-value ratio are key drivers of risk. The Task Force asked clarifying questions regarding valuation practices, borrower profiles, duration, and securitization, and the presenters noted that property values are generally monitored quarterly, loans exhibit shorter effective durations due to prepayment, and insurers access the asset class through both whole loans and securitizations.

Cybersecurity (H) Working Group

The Cybersecurity (H) Working Group met on Tuesday, March 24, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of Minutes

The Working Group adopted its March 13 Meeting Minutes and its 2025 Fall National Meeting Minutes. During its March 13 meeting, the Working Group discussed proposed edits to the Cybersecurity Event Notification Portal Project Intake Form and adopted the Centralized Cybersecurity Event Notification Portal Project Document.

Presentation from CyberCube on Cyber Threats and Trends

William Altman (*CyberCube*) gave a presentation on cyber threats and trends. Altman's presentation focused on navigating the world of complex criminal cybersecurity threats. Altman began with a discussion of ransomware and the threat it poses. Ransomware is still a dominant cyber threat across the globe. Although most ransomware attacks occur in the US, the use of ransomware is expanding beyond traditional hotspots into emerging economies which are rapidly digitizing and have weaker governance. The scale and sophistication of cyber attacks are increasing and starting to target smaller organizations. This increase has implications for the underwriting of cyber insurance in certain sectors of the economy like health care and education.

Altman also discussed recent cyber attacks on American healthcare companies and on small businesses. Increasingly, cyber attackers are utilizing AI, which enables faster targeting, better coordination, and increased automation regarding cyber attacks. Altman warned that as businesses grow more dependent on AI, the potential impact of disruptions will likely rise. As cyber attacks become more automated and target new vulnerabilities, Altman emphasized the need for adaptive defenses, timely patching, and stronger identity security.

Presentation from the Center for Internet Security (CIS) on its AI Controls Companion Guidelines

Curtis W. Dukes (CIS) was scheduled to give a presentation on the CIS AI Controls Companion Guidelines; however, Dukes was not able to deliver the presentation due to a scheduling conflict.

Big Data and Artificial Intelligence (H) Working Group

The Big Data and Artificial Intelligence (H) Working Group met on March 24th. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of Minutes

The Working Group adopted its February 17th meeting minutes.

Update on the Artificial Intelligence (AI) Systems Evaluation Tool Pilot—Commissioner Nathan Houdek (WI)

Commissioner Nathan Houdek (WI) gave an update on Artificial Intelligence Systems Evaluation Tool pilot process. The pilot program launched earlier this month across the participating states and states using the tool in various contexts, including market conduct exams, financial exams, and financial analysis. Domestic regulators made the decision on which companies to include in pilot process based on market share, lines of business, and emerging technology use. Most of the domestic states selected 1-10 insurers to participate in the pilot and two states selected more than 10 companies to participate. Open communication among the participating companies and regulators is being encouraged with the hopes of creating a coordinated method for obtaining feedback. Moving forward, the Working Group plans to continue to provide public updates throughout the process and to adopt a final version of the tool at the 2026 Fall National Meeting.

Presentation on How to Operationalize the NAIC's AI Model Bulletin—Dorothy Andrews (NAIC)

Dorothy Andrews (NAIC) gave a presentation on how best to operationalize the NAIC's AI Model Bulletin. Andrews' presentation focused on suggestions for regulators on how to operationalize the NAIC AI Model Bulletin. Currently, about twenty-five states have adopted the Model Bulletin, and additional states are considering adoption. The presentation explored various approaches to operationalize the AI Model Bulletin through AI oversight practices, documentation, and governance. Andrews suggested using a risk taxonomy system to classify AI systems and identify which AI systems may need the most regulatory attention. Andrews also presented a sample compliance report to be used by companies and discussed the various sections that should be addressed by companies in the compliance report structure.

Panel Discussion on AI Governance Trends — Scott Kosnoff (Faegre Drinker) and Anthony Habayeb (Monitaur)

Scott Kosnoff (Faegre Drinker) and Anthony Habayeb (Monitaur) led a panel discussion on recent AI governance trends. The panel discussion focused on organizational alignment between business, technology, risk, legal, and compliance for insurers using AI. The panel emphasized the

desire of insurers to comply with AI compliance regulations and statutes. The panel also discussed the importance of insurers requiring transparency from their vendors.

Any Other Matters Brought Before the Working Group — Commissioner Nathan Houdek (WI)

The Working Group discussed recent regulatory actions at the federal level. The White House released a national AI policy framework urging states to adopt certain standards addressing AI. The framework focuses on six key areas including child safety and privacy regulations, copyright fair use and the judiciary, antitrust liability exemption for collective licensing negotiations, free speech protections, federal preemption of state AI regulation, and a moratorium on a new federal rulemaking body. The framework is not binding, instead it is a directive for any laws being considered by Congress.

Third-Party Data and Models (H) Working Group

The Third-Party Data and Models (H) Working Group met on March 23rd, 2026. The agenda can be found [here](#). The meeting materials can be found [here](#). Below is a summary of the meeting.

Adoption of Minutes

The Working Group adopted its February 26th meeting minutes.

Discussion of Potential Revisions to the Third-Party Regulatory Framework

Jason Lapham (CO) and Nicole Crockett (FL) led a discussion regarding potential revisions to the Third-Party Regulatory Framework. The Working Group developed a draft Risk-Based Regulatory Framework and exposed the draft for public comment in December 2025. The purpose of the draft framework is to provide regulators with access to third-party data and models used in insurance functions with direct consumer impacts and to establish governance standards for model and data integrity, consumer protection, and ongoing monitoring. The draft framework outlines a risk-based regulatory framework for third-party data and model vendors engaged with insurers in functions with direct consumer impact such as pricing, underwriting, claims, utilization reviews, marketing, and fraud detection.

The Working Group intends for the framework to enhance regulatory oversight and to increase transparency and accountability. Additionally, the framework is intended to safeguard intellectual property and promote proportionality in compliance requirements. The discussion focused on potential revisions to areas of the framework regarding registration, governance, and pricing. There was consensus among Working Group members to build a third-party data and models registry focused on governance and to create a consistent national framework for pricing and underwriting as the next step. Moving forward, the Working Group will revise the framework to focus on third-party data and model providers that provide pricing and underwriting functions to insurers.