



STATE OF INDIANA

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To: The Honorable Rodric Bray, Chairman, and members of the Legislative Council;
The Honorable Mike Speedy, Chairman, and members of The House Financial Institutions Committee
The Honorable Martin Carbaugh, Chairman, and members of The Insurance Committee; and
The Honorable Scott Baldwin, Chairman, and members of the Senate Insurance and Financial Institutions Committee

From: Chris Erickson, Attorney at the Indiana Department of Insurance

Date: October 31, 2024

RE: Annual Report of Amendments to the National Association of Insurance Commissioners (NAIC) Documents Incorporated by Reference under Title 27 of the Indiana Code

In compliance with IC 27-1-1.5-1(d), the Indiana Department of Insurance (DOI) submits a list of the following amendments that were made to National Association of Insurance Commissioners (NAIC) documents currently incorporated by reference in the Indiana Code under Title 27.

The documents incorporated by reference include manuals, handbooks, and related materials published by the NAIC that are used in the regulation of the business of insurance by the DOI.

The following list of amendments were implemented after the publication date of the manuals and handbooks incorporated by reference in the Indiana Code under Title 27 and published after October 31st, 2023:

(E) Committee Memos: Fall 2023, Spring 2024, and Summer 2024

Accounting Practices and Procedures Manual

Financial Condition Examiners Handbook

Financial Analysis Handbook

Annual Statement Instructions and Related Material

Purposes and Procedures Manual

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
317-232-2389

COMPANY COMPLIANCE
317-232-3495

CONSUMER SERVICES
317-232-2395/1-800-622-4461

FINANCIAL SERVICES
317-232-2390

MEDICAL MALPRACTICE
317-232-2402

COMPANY RECORDS
317-232-5692

STATE HEALTH INSURANCE PROGRAM
1-800-452-4800

Risk-Based Capital Instructions

Uniform Certificate of Authority Application (UCAA) and Related Items

Own Risk and Solvency Assessment Guidance Manual

Interpretation of the Statutory Accounting Principles Working Group (SAPWG)

September 2023 SAPWG Update

October 2023 SAPWG Update

December 2023 SAPWG Update

January 2024 SAPWG Update

February 2024 SAPWG Update

March 2024 SAPWG Update

May 2024 SAPWG Update

August 2024 SAPWG Update

(A) Committee Changes

Valuation Manual

Adoptions by the Statutory Accounting Principles (E) Working Group

This list of adopted items will be updated following each interim and national meeting of the Statutory Accounting Principles (E) Working Group.

September 21, 2023 – Interim Meeting	2
October 23, 2023 – Interim Meeting.....	38
December 1, 2023 – Fall National Meeting	118
January 10, 2024 – Interim Meeting	153
February 20, 2024 – Interim Meeting.....	198
March 16, 2024 – Spring National Meeting.....	206
May 15, 2024 – Interim Meeting.....	278
August 13, 2024 – Summer National Meeting.....	297

**Revisions to the
As of March 2023, Accounting Practices and Procedures Manual**

On **September 21, 2023**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2023 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
INT 23-02	SSAP No. 9 SSAP No. 101	<i>INT 23-02: Third Quarter 2023 Inflation Reduction Act – Corporate Alternative Minimum Tax SAP Clarification</i> Effective immediately for third quarter 2023 reporting (September 21, 2023); Automatically nullifies on November 16, 2023	Adoption provides guidance for third quarter 2023 CAMT reporting and requires disclosures, but not accrual of a liability.
2023-04	INT 23-03 SSAP No. 4 SSAP No. 9 SSAP No. 101	<i>INT 23-03: Inflation Reduction Act – Corporate Alternative Minimum Tax SAP Clarification</i> Effective for reporting on or after December 31, 2023	Adoption provides guidance for CAMT reporting on or after year-end 2023 and addresses accounting, the statutory valuation allowance, admissibility, disclosures, and year-end 2023 transition.
2023-12	SSAP No. 43R SSAP No. 48	Residuals in SSAP No. 48 Investments <i>SAP Clarification</i> Effective for year-end December 31, 2023	Adoption includes revisions to <i>SSAP No. 43R—Loan-Backed and Structured Securities</i> , <i>SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies</i> , and the annual statement instructions for the reporting of residual interests, so that all residuals are captured on the dedicated Schedule BA – Other Long-Term Invested Assets reporting lines.

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2023/9-21-23/adoptions/00 - adoptions 09.21.2023 toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2023/9-21-23/adoptions/00%20-%20adoptions%2009.21.2023%20toc.docx)

**Revisions to the
As of March 2023, Accounting Practices and Procedures Manual**

On **October 23, 2023**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2023 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
2022-11	SSAP No. 20 SSAP No. 21R	Collateral for Loans <i>SAP Clarification</i> Effective immediately October 23, 2023	Adoption includes consistency revisions to SSAP No. 20. Revisions to SSAP No. 21R provide more detail on qualifying collateral, require information to support fair value of collateral to be available on request, and provide audit transition guidance for equity collateral from entities in the scope of SSAP No. 48— <i>Joint Ventures, Partnerships and Limited Liability Companies</i> and SSAP No. 97— <i>Investments to Subsidiary, Controlled and Affiliated Entities</i> .
2023-18	SSAP No. 5R SSAP No. 92 SSAP No. 102 SSAP No. 103R	ASU 2016-19, Technical Corrections and Improvements <i>SAP Clarification</i> Effective immediately October 23, 2023	Adoption includes revisions to adopt with modification ASU 2016-19 in SSAP No. 5R— <i>Liabilities, Contingencies and Impairments of Assets</i> , SSAP No. 92— <i>Postretirement Benefits Other Than Pensions</i> , and SSAP No. 102— <i>Pensions</i> and SSAP No. 103R— <i>Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i> to update statutory accounting guidance for changes made to GAAP and standardize the terminology used for insurance contracts in SSAP No. 92 and SSAP No. 102.
2023-19	Appendix D	ASU 2018-09, Codification Improvements <i>SAP Clarification</i> Effective immediately October 23, 2023	Adoption rejects ASU 2018-09 as not applicable for statutory accounting.
2023-20	Appendix D	ASU 2020-10, Codification Improvements <i>SAP Clarification</i> Effective immediately October 23, 2023	Adoption rejects ASU 2020-10 as not applicable for statutory accounting

Ref #	SSAP/ Appendix	Title	Summary
2023-21	SSAP No. 92 SSAP No. 102	Removal of Transition Guidance from SSAP No. 92 and SSAP No. 102 <i>SAP Clarification</i> Effective immediately October 23, 2023	Adoption includes revisions to <i>SSAP No. 92—Postretirement Benefits Other Than Pensions and SSAP No. 102—Pensions</i> to remove the initial transition guidance as the 10-year effective period of the guidance has expired.

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2023/10-23-23/adoptions/00 - adoptions 10.23.2023 toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2023/10-23-23/adoptions/00%20-%20adoptions%2010.23.2023%20toc.docx)

**Revisions to the
As of March 2023, Accounting Practices and Procedures Manual**

On **December 1, 2023**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2023 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
2023-15	Annual Statement Instructions	IMR / AVR Specific Allocations <i>SAP Clarification</i> Effective January 1, 2024	Adopted revisions address guidance that has permitted allocation of non-interest-related losses to the interest maintenance reserve (IMR) for mortgage loans with valuation allowances and debt securities with known credit events.
2023-17	SSAP No. 2R	Short-Term Investments <i>New SAP Concept</i> Effective January 1, 2025	Adopted revisions further restrict the investments that are permitted for cash equivalent and short-term reporting. Revisions exclude all Schedule BA: Other Long-Term Investments and mortgage loans.
2023-22	SSAP No. 54R	Actuarial Guideline 51 and Appendix A-010 Interaction <i>SAP Clarification</i> Effective Immediately December 1, 2023	Adopted revisions clarify that gross premium valuation (under <i>A-010, Minimum Reserve Standards for Individual and Group Health</i>) and cash-flow testing (under <i>Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves</i>) are both required if indicated.
2023-23	SSAP No. 30R SSAP No. 32R	Residuals in Preferred Stock and Common Stock Structures <i>SAP Clarification</i> Effective December 31, 2023	Adopted revisions clarify that investments that are in-substance residual interests shall be reported on Schedule BA on the dedicated reporting line for residuals.

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2023/12-1-23 fall national meeting/adoptions/00 - adoptions 12.1.2023 toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2023/12-1-23%20fall%20national%20meeting/adoptions/00%20-%20adoptions%2012.1.2023%20toc.docx)

**Revisions to the
As of March 2023 Accounting Practices and Procedures Manual**

On **January 10, 2024**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2023 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
INT 23-04	SSAP No. 61R	Scottish Re Life Reinsurance Liquidation Questions <i>SAP Clarification</i> Effective (December 31, 2023)	<i>INT 23-04: Scottish Re Life Reinsurance Liquidation Questions</i> provides accounting and reporting guidance for ceding entities with reinsurance balances to or from Scottish Re, a U.S.-based life reinsurer in liquidation. The guidance focuses primarily on reinsurance recoverables.
2023-24	INT 06-07 SSAP No. 2R SSAP No. 5R SSAP No. 22R SSAP No. 26R SSAP No. 32R SSAP No. 34 SSAP No. 37 SSAP No. 39 SSAP No. 41R SSAP No. 43R SSAP No. 61R SSAP No. 62R SSAP No. 86 SSAP No. 103R SSAP No. 105R	ASU 2016-13 Measurement of Credit Losses on Financial Instruments (CECL) <i>SAP Clarification</i> Effective (December 31, 2023)	Revisions reject ASU 2016-13 and related subsequent ASUs in various SSAPs and <i>INT 06-07: Definition of Phrase “Other Than Temporary.”</i> These revisions reject CECL for statutory accounting.

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2024/01 1-10-24/adoption/00 - adoption toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2024/01%201-10-24/adoption%2000-%20adoption%20toc.docx)

Revisions to the
As of March 2024 Accounting Practices and Procedures Manual

On **February 20, 2024**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2024 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
2023-28	SSAP No. 21R	Collateral Loan Reporting <i>SAP Clarification</i> Effective Year End 2024	Adopted revisions to SSAP No. 21R incorporate a collateral loan disclosure for year-end 2024 to detail admitted and nonadmitted collateral loans in accordance with the underlying collateral supporting the loan

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2024/02-20-24/adoptions/00 - adoptions toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2024/02-20-24/adoptions/00%20-%20adoptions%20toc.docx)

**Revisions to the
As of March 2024, Accounting Practices and Procedures Manual**

On **March 16, 2024**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2024 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
2019-21	SSAP No. 21R	Principles-Based Bond Project & Residual Interests <i>New SAP Concept</i> Effective January 1, 2025	Adopted revisions provide guidance for debt securities that do not qualify as bonds under the principles-based bond definition, with a January 1, 2025, effective date. Adopted revisions prescribe accounting guidance (measurement method) for all residual interests regardless of legal form. This specific guidance is effective January 1, 2025, but can be early adopted for 2024.
2022-14 2022-14a 2022-14b 2022-14c	SSAP No. 93R SSAP No. 94R SSAP No. 34 SSAP No. 48	New Market Tax Credit Project <i>New SAP Concept</i> Effective January 1, 2025	Adopted revisions expand and amend guidance within SSAP No. 93 to include all tax credit investments regardless of structure and type of state or federal tax credit program. Revisions to SSAP No. 94R expand and amend guidance to include both purchased state and federal tax credits. Revisions in SSAP No. 34 and SSAP No. 48 include consistency revisions in response to the changes made to SSAP No. 93 and SSAP No. 94R.
2023-25	Appendix D	ASU 2023-03 – SEC Updates <i>SAP Clarification</i> Effective Immediately March 16, 2024	Adopted revisions reject ASU 2023-03 as not applicable for statutory accounting.
2023-27	Appendix D	ASU 2023-04 – SEC Updates, Crypto <i>SAP Clarification</i> Effective Immediately March 16, 2024	Adopted revisions reject ASU 2023-04 as not applicable for statutory accounting.
2023-29	Annual Statement Instructions	IMR Preferred Stock Revisions will be considered by the Blanks (E) Working Group for year-end 2024.	Adopted proposed revisions to the annual statement instructions which direct perpetual preferred stock (including SVO-Identified Preferred Stock ETFs), and mandatory convertible preferred stock through the AVR. This proposal did not result in SSAP revisions.

Ref #	SSAP/ Appendix	Title	Summary
2023-30	SSAP No. 97	SSAP No. 97 Admissibility Requirements <i>SAP Clarification</i> Effective Immediately March 16, 2024	Adopted revisions align the language in SSAP No. 97, paragraph 24, with the existing guidance provided in paragraphs 26 and 27.

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2024/03-16-24 spring national meeting/adoptions/00 - adoptions 3.16.2024 toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2024/03-16-24%20spring%20national%20meeting/adoptions/00%20-%20adoptions%203.16.2024%20toc.docx)

**Revisions to the
As of March 2024 Accounting Practices and Procedures Manual**

On **May 15, 2024**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2024 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
2023-16	Schedule BA	Schedule BA Categories <i>SAP Clarification</i> No SSAP revisions	Adopted agenda item summarizing key revisions in the modified blanks proposal 2023-12BWG sponsored by the SAPWG, which is proposed to be effective January 1, 2025. This agenda item did not result in any SSAP revisions.
2024-13	SSAP No. 107	Update SSAP No. 107 Disclosures <i>SAP Clarification</i> Effective Year End 2024	Adopted revisions to SSAP No. 107 remove the transitional reinsurance program disclosures and the risk corridor disclosures as both programs have expired. In addition, the roll-forward illustration in Exhibit B was revised to remove the portion for the transitional reinsurance program and the risk corridors program.

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2024/05-15-24/adoptions/00 - adoptions toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2024/05-15-24/adoptions/00-%20adoptions%20toc.docx)

**Revisions to the
As of March 2024, Accounting Practices and Procedures Manual**

On **August 13, 2024**, the Statutory Accounting Principles (E) Working Group adopted the following revisions to the *As of March 2024 Accounting Practices and Procedures Manual*. Documents associated with these revisions are linked to the reference items in bold text.

Ref #	SSAP/ Appendix	Title	Summary
2019-21	Issue Paper No. 169	Principles-Based Bond Definition <i>New SAP Concept</i> Issue Papers are Not Authoritative	Adopted Issue Paper No. 169 documents the discussions and decisions related to the principles-based bond project. The adopted SSAPs impacted by the principles-based bond definition are effective January 1, 2025, and should be used as the source of authoritative guidance.
2022-12	SSAP No. 25 SSAP No. 63 INT 03-02	Review of <i>INT 03-02: Modification to an Existing Intercompany Pooling Arrangement</i> <i>SAP Clarification</i> Effective Immediately (August 13, 2024)	Adopted revisions to SSAP No. 25 and SSAP No. 63 address transfers of assets when modifying intercompany pooling agreements. This agenda item also nullifies INT 03-02.
2023-26	SSAP No. 15 SSAP No. 86	<i>ASU 2023-06, Disclosure Improvements</i> <i>SAP Clarification</i> Effective Immediately (August 13, 2024)	Adopted revisions in SSAP No. 15 and SSAP No. 86 adopt, with modification, certain disclosures from ASU 2023-06. The ASU 2023-06 disclosures originally recommended for inclusion in SSAP No. 103R are to be added to agenda item 2024-04: Conforming Repurchase Agreements for further consideration as part of the larger project looking at statutory guidance for repurchase agreements and secured lending.
2024-02	SSAP No. 19 SSAP No. 73	<i>ASU 2023-01, Leases (Topic 842), Common Control Arrangements</i> <i>SAP Clarification</i> Effective Immediately (August 13, 2024)	Adopted revisions in SSAP No. 19 and SSAP No. 73 adopt, with modification, ASU 2023-01.

Ref #	SSAP/ Appendix	Title	Summary
2024-03	SSAP No. 20 INT 21-01	<i>ASU 2023-08, Accounting for and Disclosure of Crypto Assets</i> <i>SAP Clarification</i> Effective Immediately (August 13, 2024)	Adopted revisions in SSAP No. 20 adopt, with modification, ASU 2023-08 and nullify <i>INT 21-01: Accounting for Cryptocurrencies</i> .
2024-08	SSAP No. 21	Residual Consistency Revisions <i>SAP Clarification</i> Effective January 1, 2025	Adopted revisions result with identified SSAPs referring to SSAP No. 21 for the formal residual definition and for accounting and reporting guidance.
2024-09	SSAP No. 2	SSAP No. 2 Clarification <i>SAP Clarification</i> Effective January 1, 2025	Adopted revisions eliminate lingering references implying that asset-backed securities, mortgage loans, or other Schedule BA items are permitted to be reported as cash equivalents or short-term investments.
2024-14EP	Various	<i>Spring 2024</i> Editorial Revisions Effective Immediately (August 13, 2024)	Adopted editorial revisions to the <i>Accounting Practices and Procedures Manual</i> remove “Revised” and “R” identifiers from SSAP titles and SSAP references throughout the Manual.

[https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national meetings/a. national meeting materials/2024/08-13-24 summer national meeting/adoptions/00 - adoptions 8.13.2024 toc.docx](https://naiconline.sharepoint.com/teams/frsstatutoryaccounting/national%20meetings/a.%20national%20meeting%20materials/2024/08-13-24%20summer%20national%20meeting/adoptions/00%20-%20adoptions%208.13.2024%20toc.docx)

Financial Condition (E) Committee Technical Changes

Background Information. At the 2009 Fall National Meeting, the NAIC membership approved a new process for the final adoption of technical matters coming from the Financial Condition (E) Committee. The new process was enacted to provide these technical changes to the industry and affected parties as quickly as possible to allow them more time to modify their systems and processes for such changes.

Details of Process Adopted

1. A list of technical items (shown on the page[s] that follow) will be provided by the Financial Condition (E) Committee to the Executive (EX) Committee and Plenary within one week of the completion of the national meeting.
2. The list contains only what the Financial Condition (E) Committee considers technical and routine, and it does not include items that are significant by NAIC standards (e.g., it would not include proposed model laws, model regulations, or guidelines) or items considered controversial.
3. Members of the Executive (EX) Committee and Plenary have 10 days to review the attached list and voice any objection with respect to a specific item.
4. If no objections are raised on a particular item or any of the items, each and all items will be considered adopted by the Executive (EX) Committee and Plenary, similar to the consent agenda process.
5. If there is an objection to any one or multiple items, a joint meeting of the Executive (EX) Committee and Plenary will be scheduled to address the particular item(s).
6. Items receiving no objection will be considered adopted and thus inserted into the appropriate publication and/or made available to the industry and other parties for implementation.

Request for Approval. Under the above process, the Executive (EX) Committee and Plenary members are hereby requested to review the attached list and voice any objections to a specific item(s) by **Dec 27, 2023**. Any item(s) receiving an objection will be pulled from this automatic consideration, and a meeting will be scheduled to address the issue.

Action Taken During 2023 Fall National Meeting

Date Released to Executive (EX) Committee and Plenary Members:

Dec 13, 2023

Objections Due from Executive (EX) Committee and Plenary Members:

Dec 27, 2023

The following technical items were adopted by the Financial Condition (E) Committee during the 2023 Fall National Meeting:

1. Accounting Practices and Procedures Manual (AP&P Manual) Changes and Related Items

- Adopted the following new statutory accounting principle (SAP) concept revisions:
 - *Statement of Statutory Accounting Principles (SSAP) No. 2R—Cash, Cash Equivalents, Drafts and Short-Term Investments*: Revisions further restrict the investments that are permitted for cash equivalent and short-term reporting, with an effective date of Jan. 1, 2025. The revisions exclude all Schedule BA: Other Long-Term Investments and mortgage loans. (Ref #2023-17)
 - *Annual Statement Instructions*: Revisions update and remove guidance that has permitted allocation of non-interest-related losses to the interest maintenance reserve (IMR) with an effective date of Jan. 1, 2024. The revisions address mortgage loans with valuation allowances and debt securities with known credit events. (Ref #2023-15)
- Adopted the following clarifications to statutory accounting guidance:
 - *SSAP No. 20—Nonadmitted Assets and SSAP No. 21R—Other Admitted Assets* to clarify that pledged collateral must qualify as an admitted invested asset for a collateral loan to be admitted. The revisions require audits and the use of fair value for valuation assessments when the pledged collateral is in the form of partnerships, limited liability companies, or joint ventures. (Ref #2022-11)
 - *SSAP No. 30R—Unaffiliated Common Stock and SSAP No. 32R—Preferred Stock*: Revisions clarify that investments that are in substance residual interests shall be reported on Schedule BA on the dedicated reporting line for residuals, effective year-end 2023. (Ref #2023-23)
 - *SSAP No. 43R—Loan-Backed and Structured Securities and SSAP No. 48—Joint Ventures, Partnerships and Limited Liability Companies* to clarify the scope and reporting for investment structures that represent residual interests. (Ref #2023-12)
 - *SSAP No. 54R—Individual and Group Accident and Health Contracts*: Revisions clarify that gross premium valuation (under A-010, Minimum Reserve Standards for Individual and Group Health) and cash-flow testing (under *Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves*) are both required if indicated. (Ref #2023-22)
 - *SSAP No. 92—Postretirement Benefits Other Than Pensions and SSAP No. 102—Pensions* to remove the transition guidance, as the 10-year applicable transition period has ended. (Ref #2023-21)
 - *Various SSAPs*: Adopted with modification in several SSAPs certain aspects of *ASU 2016-19—Technical Corrections and Improvements* and revisions to SSAP No. 92 to change the term “insurance contracts” to “insurance annuities” consistent with SSAP No. 102. (Ref #2023-18)
 - *INT 23-02: Third Quarter 2023 Inflation Reduction Act – Corporate Alternative Minimum Tax* revisions direct that for third-quarter 2023 reporting entities are required to disclose whatever information is available regarding their applicable reporting entity status.

- *INT 23-03: Corporate Alternative Minimum Tax Guidance* revisions provide guidance and disclosures for year-end 2023 reporting of the corporate alternative minimum tax, which applies *SSAP No. 101—Income Taxes* with modification. (Ref #2023-04)
- *Appendix D—Nonapplicable GAAP Pronouncements*: The following U.S. generally accepted accounting principles (GAAP) standards were rejected as not applicable to statutory accounting:
 - *ASU 2018-09—Codification Improvements* (Ref #2023-19)
 - *ASU 2020-10—Codification Improvements* (Ref #2023-20)

2. Financial Condition Examiners Handbook Changes, Other Examination Tools, and Related Items

- Adopted revisions to the following sections of the *Financial Condition Examiners Handbook*:
 - Section 1-2 (D): Salary and Per Diem Guidelines to include updated legacy daily rates for various financial examination positions adopted by the Risk-Focused Surveillance (E) Working Group.
 - Section 1-3 (D): Business Continuity; Investments, Reinsurance Assuming, Reinsurance Ceding and Underwriting Examination Repositories; Exhibits A (Examination Planning Procedures), B (Examination Planning Questionnaire), I (Examination Planning Memorandum), V (Prospective Risk Assessment), Y (Examination Interviews), and DD (Critical Risk Categories); and the Glossary, to further integrate consideration of climate change risks into the financial examination process, as referred by the Climate and Resiliency (EX) Task Force.
 - Section 1-3 (I): Considerations for Potentially Troubled Insurance Companies to incorporate a reference to the Memorandum of Understanding (MOU) maintained by the Receivership and Insolvency (E) Task Force as an optional tool that can help facilitate communication and information sharing, as well as transitional planning and preparation in pre-receivership situations.
 - Section 1-4 (E): Consideration of Fraud, Exhibit A (Examination Planning Procedures), Exhibit E (Audit Review Procedures), and Exhibit G (Consideration of Fraud) to provide clarity on which portions of Exhibit G are required and to align the review of fraud with the risk-focused examination approach.
 - Capital and Surplus and Underwriting Repositories and Exhibit V (Prospective Risk Assessment) to include additional considerations for strategic and operational risks of health insurers, as referred by the Financial Analysis (E) Working Group.
 - Section 1-10 (A): Interim Reporting to Chief Examiner and Exhibit D (Planning Meeting with the Financial Analyst) to incorporate takeaways from the examination peer review program, as referred by the Risk-Focused Surveillance (E) Working Group.
 - Section 1-3 (F): Outsourcing of Critical Services, Section 2 Phase 1 (Understanding the Company), Related Party Examination Repository, and Exhibit A (Examination Planning Procedures), Exhibit H (Insurer Profile Summary Template), and Exhibit CC (Issue/Risk Tracking Template) to incorporate guidance for the review of affiliated services agreements, as referred by the Risk-Focused Surveillance (E) Working Group.

3. *Financial Analysis Handbook* Changes and Related Items

- Enhancements to the Insurance Regulatory Information Systems (IRIS) ratios and manual to incorporate line of business changes from the life annual statement blank.
- Enhancements to the *Financial Analysis Handbook* related to climate risk, group capital calculations for risk retention groups (RRGs), efficiencies in risk-focused analysis processes and documentation, coordination and planning with examiners, and receivership.
- Enhancements to the *Financial Analysis Handbook* as referred by the Risk Focused Surveillance (E) Working Group on Aug. 14, which includes guidance for the review of affiliated services agreements. The guidance was developed through a collaborative and open process with regulators and interested parties and included multiple exposures and revisions.
- Enhancements to and development of regulator-only tools.

4. *Implementation Guide for Annual Financial Reporting Model Regulation (#205)* Changes and Related Items

- None

5. *Annual Statement Instructions* Changes and Related Items

- 2023-06BWG: Split the Schedule D, Part 1, into two sections: one for issuer credit obligations and the other for asset-backed securities (ABS). Update the other parts of the annual statement that reference the bond lines of business.
- 2023-07BWG: Update the code column and delete the legal entity identifier (LEI) column for the following investment schedules: Schedules A; B; BA; D, Part 2; D, Part 6; and E, Part 1.
- Adopted its editorial listing.

6. *Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual)* and Related Items

- None.

7. *NAIC Risk-Based Capital (RBC) Formula* Changes and Related Items

- Adopted the following amendments to the RBC formulas:
 - Proposal 2023-11-H: Including Medicare and Medicaid fee-for-service and other risk revenue amounts in XR013 and XR014 for health RBC formula.
 - Proposal 2023-12-CA: Clarifying both common and preferred stock amounts should be included in column 13 of XR002 and PR003 for health and property/casualty (P/C) RBC formulas, respectively.
 - Proposal 2023-16-CR: Providing routine catastrophe events updates happening between Jan. 1 through Oct. 31, 2023, for P/C RBC formula.

8. *Uniform Certificate of Authority Application (UCAA), Company Licensing Best Practices Handbook, and Related Items*

- None

9. NAIC Own Risk and Solvency Assessment (ORSA) Guidance Manual (ORSA Guidance Manual) and Related Items

- None.

10. Receiver's Handbook for Insurance Company Insolvencies (Receiver's Handbook) and Related Items

- Enhancements to all chapters and certain exhibits of the *Receiver's Handbook for Insurance Company Insolvencies*.

11. Process for Evaluating Qualified and Reciprocal Jurisdictions and Related Items

- None.

13. NAIC Enterprise Risk Report (Form F) Implementation Guide and Related Items

- None.

14. Troubled Insurance Company Handbook Changes and Related Items

- Enhancements to Chapters II and V and new appendices in the *Troubled Insurance Company Handbook* (regulator-only publication) primarily related to continuation of essential services by affiliates in receivership; recovery and resolution planning and crisis management preparedness; and early coordination with guaranty funds.

15. Risk Retention Group (RRG) Regulatory Tools and Related Items

- None.

16. Group Capital Calculation (GCC) Instructions and Template

- None

17. Financial Stability/Macroprudential Risk Assessment Tools and Related Items

- Adopted the 2023 Liquidity Stress Testing Framework (LST Framework).

Financial Condition (E) Committee Technical Changes

Background Information. At the 2009 Fall National Meeting, the NAIC membership approved a new process for the final adoption of technical matters coming from the Financial Condition (E) Committee. The new process was enacted to provide these technical changes to the industry and affected parties as quickly as possible to allow them more time to modify their systems and processes for such changes.

Details of Process Adopted

1. A list of technical items (shown on the page[s] that follow) will be provided by the Financial Condition (E) Committee to the Executive (EX) Committee and Plenary within one week of the completion of the national meeting.
2. The list contains only what the Financial Condition (E) Committee considers technical and routine, and it does not include items that are significant by NAIC standards (e.g., it would not include proposed model laws, model regulations, or guidelines) or items considered controversial.
3. Members of the Executive (EX) Committee and Plenary have 10 days to review the attached list and voice any objection with respect to a specific item.
4. If no objections are raised on a particular item or any of the items, each and all items will be considered adopted by the Executive (EX) Committee and Plenary, similar to the consent agenda process.
5. If there is an objection to any one or multiple items, a joint meeting of the Executive (EX) Committee and Plenary will be scheduled to address the particular item(s).
6. Items receiving no objection will be considered adopted and thus inserted into the appropriate publication and/or made available to the industry and other parties for implementation.

Request for Approval. Under the above process, the Executive (EX) Committee and Plenary members are hereby requested to review the attached list and voice any objections to a specific item(s) by **April 5, 2024**. Any item(s) receiving an objection will be pulled from this automatic consideration, and a meeting will be scheduled to address the issue.

Financial Condition (E) Committee Technical Changes
Action Taken During 2024 Spring National Meeting

Date Released to Executive (EX) Committee and Plenary Members:
Objections Due from Executive (EX) Committee and Plenary Members:

March 26, 2024
April 5, 2024

The following technical items were adopted by the Financial Condition (E) Committee during the 2024 Spring National Meeting:

1. Accounting Practices and Procedures Manual (AP&P Manual) Changes and Related Items

- Adopted the following new statutory accounting principle (SAP) concept revisions:
 - *Statement of Statutory Accounting Principles (SSAP) No. 34—Investment Income Due and Accrued; SSAP No. 48—Joint Ventures, Partnerships, and Limited Liability Companies; SSAP No. 93—Low-Income Housing Tax Credit Property Investments; and SSAP No. 94R—Transferable and Non-Transferable State Tax Credits:* Revisions, effective Jan. 1, 2025, address all investments that primarily provide tax credits or other tax benefits, expanding SSAP No. 93 guidance beyond low-income housing tax credits, as well as providing guidance for acquired tax credits. (Ref #2022-14)
 - *SSAP No. 21R—Other Admitted Assets:* Revisions, effective Jan. 1, 2025, provide guidance for debt securities that do not qualify as bonds and consistent accounting guidance for residual interests. The adoption of these revisions finalizes the planned statutory accounting revisions under the principles-based bond project. (Ref #2019-21)
- Adopted the following clarifications to statutory accounting guidance:
 - *SSAP No. 21R—Other Admitted Assets:* Revisions incorporate a collateral loan disclosure for year-end 2024 to detail admitted and nonadmitted collateral loans in accordance with the underlying collateral supporting the loan. (Ref #2023-28)
 - *SSAP No. 97—Investments in Subsidiary, Controlled, and Affiliated Entities:* Revisions update guidance on audits and admissibility to better align with guidance on the look-through method. (Ref #2023-30)
 - *Annual Statement Instructions:* Revisions clarify that perpetual preferred stock and mandatory convertible preferred stock shall follow the same concepts that exist for common stock in reporting through the asset valuation reserve (AVR). (Ref #2023-29)
 - *Various SSAPs:* Revisions reject *Accounting Standards Update (ASU) 2016-13, Measurement of Credit Losses on Financial Instruments (CECL)* and related subsequent ASUs in various SSAPs and *INT 06-07: Definition of Phrase “Other Than Temporary.”* (Ref #2023-24)
 - *Interpretation (INT) 23-04: Scottish Re Life Reinsurance Liquidation Questions:* Interpretation provides accounting and reporting guidance for ceding entities with reinsurance balances to or from Scottish Re, a U.S.-based life reinsurer in liquidation.
 - *Appendix D—Nonapplicable Generally Accepted Accounting Principles (GAAP) Pronouncements:* The following U.S. GAAP standards were rejected as they are not applicable to statutory accounting:
 - *ASU 2023-03, Amendments to U.S. Securities and Exchange Commission (SEC) Paragraphs* (Ref #2023-25)
 - *ASU 2023-04, Amendments to SEC Paragraphs—Cryptocurrency* (Ref #2023-27)

2. Financial Condition Examiners Handbook Changes, Other Examination Tools, and Related Items

- None

3. Financial Analysis Handbook Changes and Related Items

- None

4. Implementation Guide for Annual Financial Reporting Model Regulation (#205) Changes and Related Items

- None

5. Annual Statement Instructions Changes and Related Items

- Adopted the following proposals:
 - 2023-05BWG Modified – Changes to the cybersecurity supplement to remove the reference to identity theft insurance from the General Instructions; remove the interrogatory questions from Part 1 that pertain to identity theft insurance; and remove the column for identity theft insurance from Part 2 and Part 3. Remove claims-made and occurrence breakdown from data collection and remove the question regarding tail policies from the interrogatories.
 - 2023-13BWG Modified – Add new instruction and illustration under Note 5 – Investments for Net Negative (Disallowed) Interest Maintenance Reserve (IMR) and a new general interrogatory for a company attestation.
 - 2023-14BWG Modified – Revise the health test language and general interrogatories.
 - 2023-15BWG Modified – Add a new general interrogatory to the Life General Interrogatories Part 2 to provide needed information for completing the C-2 mortality risk in the life risk-based capital (RBC).
 - 2023-16BWG Modified – Change Schedule P in the property/casualty (P/C) blank to show 10 years of data and a “prior” row for all lines of business beginning in 2024. This modifies requirements for seven lines of business that currently only show two years of data and a “prior” row.
- Adopted its editorial listing.

6. Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual) and Related Items

- None.

7. NAIC Risk-Based Capital (RBC) Formula Changes and Related Items

- Adopted the following amendments to the RBC formulas:
 - Proposal 2023-13-CR: Collecting additional information from insurers on the structure of their catastrophe reinsurance program on an annually confidential basis.

Financial Condition (E) Committee Technical Changes

- Proposal 2023-14-P: Removing pet insurance from the inland marine line of business and adding a new line of business in the Risk-Based Capital, Schedule P pages to be consistent with the change in the annual statement.
- Proposal 2023-15-CR: Providing the structure change for adding severe convective storm as one of the catastrophe perils for informational purposes only in the Rcat component.
- Proposal 2024-01-P: Updating the Risk-Based Capital, Schedule P short-tail schedules to reflect the changes in the Annual Statement, Schedule P short-tail schedules.

8. Uniform Certificate of Authority Application (UCAA), *Company Licensing Best Practices Handbook*, and Related Items

- None

9. *NAIC Own Risk and Solvency Assessment (ORSA) Guidance Manual* (ORSA Guidance Manual) and Related Items

- None

10. *Receiver's Handbook for Insurance Company Insolvencies* (Receiver's Handbook) and Related Items

- None

11. *Process for Evaluating Qualified and Reciprocal Jurisdictions* and Related Items

- None

13. NAIC Enterprise Risk Report (Form F) Implementation Guide and Related Items

- None

14. *Troubled Insurance Company Handbook* Changes and Related Items

- None

15. Risk Retention Group (RRG) Regulatory Tools and Related Items

- None

16. Group Capital Calculation (GCC) Instructions and Template

- Adopted updated life scalars for the 2023 GCC reporting template.

17. Financial Stability/Macroprudential Risk Assessment Tools and Related Items

- None

Financial Condition (E) Committee Technical Changes

Background Information. At the 2009 Fall National Meeting, the NAIC Membership approved a new process for the final adoption of technical matters coming from the Financial Condition (E) Committee. The new process was enacted to provide these technical changes to the industry and affected parties as quickly as possible to allow them more time to modify their systems and processes for such changes.

Details of Process Adopted

1. A list of technical items (shown on the page[s] that follow) will be provided by the Financial Condition (E) Committee to the Executive (EX) Committee and Plenary within one week of the completion of the national meeting.
2. The list contains only what the Financial Condition (E) Committee considers technical and routine, and it does not include items that are significant by NAIC standards (e.g., it would not include proposed model laws, model regulations, or guidelines) or items considered controversial.
3. Members of the Executive (EX) Committee and Plenary have 10 days to review the attached list and voice any objection with respect to a specific item.
4. If no objections are raised on a particular item or any of the items, each and all items will be considered adopted by the Executive (EX) Committee and Plenary, similar to the consent agenda process.
5. If there is an objection to any one or multiple items, a joint meeting of the Executive (EX) Committee and Plenary will be scheduled to address the particular item(s).
6. Items receiving no objection will be considered adopted and thus inserted into the appropriate publication and/or made available to the industry and other parties for implementation.

Request for Approval. Under the above process, the Executive (EX) Committee and Plenary members are hereby requested to review the attached list and voice any objections to a specific item(s) by **September 3, 2024**. Any item(s) receiving an objection will be pulled from this automatic consideration, and a meeting will be scheduled to address the issue.

Action Taken During the 2024 Summer National Meeting

Date Released to Executive (EX) Committee and Plenary Members:

August 22, 2024

Objections Due from Executive (EX) Committee and Plenary Members:

September 3, 2024

The following technical items were adopted by the Financial Condition (E) Committee during the 2024 Summer National Meeting:

1. Accounting Practices and Procedures Manual (AP&P Manual) Changes and Related Items

- Adopted the following new statutory accounting principle (SAP) concept revisions:
 - *Principles-Based Bond Project Issue Paper*: Adopted issue paper No. 169, which details the discussions and decisions underlying the adopted principles-based bond project. (Ref #2019-21)
- Adopted the following clarifications to statutory accounting guidance:
 - *Statement of Statutory Accounting Principles (SSAP) No. 2R—Cash, Cash Equivalents, Drafts, and Short-Term Investments*: Revisions eliminate lingering references implying that asset-backed securities (ABS), mortgage loans, or Schedule BA: Other Long-Term Invested Assets items are permitted as cash equivalents or short-term investments. (Ref #2024-09)
 - *SSAP No. 15—Debt and Holding Company Obligations and SSAP No. 103R—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*: Revisions incorporated modified disclosures from *Accounting Standards Update (ASU) 2023-06, Disclosure Improvements* for unused commitments and lines of credit, as well as a disclosure of cash flows from derivatives. (Ref #2023-26)
 - *SSAP No. 19—Furniture, Fixtures, Equipment, and Leasehold Improvements and SSAP No. 73—Health Care Delivery Assets and Leasehold Improvements in Health Care Facilities*: Revisions incorporate modified leasehold improvement guidance from *ASU 2023-01, Leases (Topic 842), Common Control Arrangements*. (Ref #2024-02)
 - *SSAP No. 20—Nonadmitted Assets*: Revisions clarify that directly held crypto assets are non-admitted assets and adopt the definition of crypto assets from *ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60), Accounting for and Disclosure of Crypto Assets*. (Ref #2024-03)
 - *SSAP No. 25—Affiliates and Other Related Parties, SSAP No. 63—Underwriting Pools, and Interpretation (INT) 03-02: Modification to an Existing Intercompany Pooling Arrangement*: Revisions nullify INT 03-02 and address transfers of assets when modifying intercompany pooling agreements. (Ref #2022-12)
 - *SSAP No. 26R—Bonds, SSAP No. 21R—Other Admitted Assets, SSAP No. 30R—Unaffiliated Common Stock, SSAP No. 32R—Preferred Stock, SSAP No. 43R—Loan-Backed and Structured Securities, and SSAP No. 48—Joint Ventures, Partnerships, and Limited Liability Companies*: Revisions refer to SSAP No. 21R for the residual definition and accounting and reporting guidance. (Ref #2024-08)
 - *AP&P Manual Editorial Revisions*: Revisions remove the “Revised” and “R,” intended to identify a previously substantively revised SSAP or SSAPs with revisions that reflected new SAP concepts from SSAP titles and references. (Ref #2024-14EP)

- *SSAP No. 107—Risk-Sharing Provisions of the Affordable Care Act*: Revisions remove the transitional reinsurance program and risk corridor disclosures, with corresponding edits to the roll-forward illustration. (Ref #2014-13)

2. *Financial Condition Examiners Handbook Changes, Other Examination Tools, and Related Items*

- None

3. *Financial Analysis Handbook Changes and Related Items*

- Adopted procedures and guidance into the *Financial Analysis Handbook* related to the analysis of affiliated investment management services and agreements.

4. *Implementation Guide for Annual Financial Reporting Model Regulation (#205) Changes and Related Items*

- None

5. *Annual Statement Instructions Changes and Related Items*

- Adopted the following proposals:
 - 2023-12BWG Modified – Categorize debt securities on Schedule BA that do not qualify as bonds under SSAP No. 26R or SSAP No. 43R and are captured in the scope of SSAP No. 21R.
 - 2024-01BWG – Update the Investment Schedules General Instructions to identify that common and preferred stock residual interests should be reported on Schedule BA. (Statutory Accounting Principles [E] Working Group agenda item 2023-23).
 - 2024-02BWG Modified – Remove categories from Schedule DA, Part 1, and Schedule E, Part 2 that should be reported on Schedule BA. Add clarifying instructions on what should be included in other short-term and other cash equivalent categories.
 - 2024-03BWG Modified – Update General Interrogatory 35 for private letter (PL) rating security reporting to clarify what should be included.
 - 2024-04BWG – Add clarifying language to the *Valuation Manual* (VM)-20, Requirements for Principle-Based Reserves for Life Products, supplement in the life blank to include separate accounts where applicable.
 - 2024-05BWG – Add language to Annual General Interrogatory 29.05 (Quarterly General Interrogatory 17.5) to clarify that all investment advisors that have the discretion to make investment decisions, including sub-advisors, should be disclosed through the interrogatory.
 - 2024-06BWG – Property/casualty (P/C) changes: Limit the requirement to send qualification documentation to the board of directors only at the initial appointment and not annually thereafter. Title changes: Update the title instructions so they are more similar to the P/C instructions.
 - 2024-07BWG – Update the illustration under Note 5S(A)—Investments for net negative (disallowed) interest maintenance reserve (IMR) to add a separate account breakout. Add a new general interrogatory for a company attestation for separate accounts.

Financial Condition (E) Committee Technical Changes

- 2024-08BWG – Update the IMR and asset valuation reserve (AVR) instructions for specific allocation guidance for NAIC designation changes for debt securities (excluding loan-backed and structured securities [LBSS]), mortgage loans, and perpetual preferred stocks. (Statutory Accounting Principles [E] Working Group agenda items 2023-15 and 2023-29).
- 2024-09BWG Modified – Add a note (5T) to the Notes to Financials to be data captured to report the aggregate collateral loans by qualifying investment collateral.
- 2024-10BWG Modified – Remove the SSAP No. 107 disclosure on the transitional reinsurance program and the risk corridors program from Note 24E in the Notes to Financials (Note 24F for P/C) in the *Annual Statement Instructions*.
- 2024-11BWG Modified – Update the Annual and Quarterly Instructions and Blanks for the New Market Tax Credit changes. Changes will be made to the Annual include Assets; Notes to Financial Statements 5K, 14A, and 21E; AVR; Schedule BA, Part 1 and 3; and Verification Between Years. Quarterly changes include Assets; Schedule BA, Part 3; and Verification Between Years.
- 2024-12BWG Modified – Update the quarterly investment schedules for editorial items to the bond project. (Schedule D Verification; Schedule D, Part 1B; Schedule D, Parts 3 and 4; Schedule DL, Parts 1 and 2; and Schedule E, Parts 1 and 2) Update the Quarterly Investment Schedule General Instructions for the changes that were adopted in the Annual Investment Schedule General Instructions. (Reference: adopted proposal 2023-06BWG).
- Adopted its editorial listing.

6. *Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual) and Related Items*

- Adopted the following amendments to:
 - Permit NAIC designations for short-term ABS.
 - Add Spain to the List of Foreign (Non-U.S.) Jurisdictions Eligible for Netting for Purposes of Determining Exposures to Counterparties for Schedule DB, Part D, Section 1.
 - Change the effective date for the implementation of collateralized loan obligation (CLO) modeling to Dec. 31, 2025.
 - Clarify permitting insurers to self-assign an NAIC designation 6*.
 - Make current the list of Securities of Valuation Office (SVO) processes.
 - Update U.S. government agency and other U.S. government obligation abbreviations.
 - Update the definition of an NAIC designation.

7. *NAIC Risk-Based Capital (RBC) Formula Changes and Related Items*

- Adopted the following proposals:
 - 2024-04-L – Add a line to LR033 to address the treatment of non-admitted insurance affiliates.

Financial Condition (E) Committee Technical Changes

- 2024-05-L – Add a line to LR009 to address line 44 of the AVR equity component.
 - 2024-08-CA – Remove the reference to “H0 Component” and “R0 Component” from the Column 12 heading on pages XR002 and PR003, respectively.
 - 2024-09-CA – Annual update of the underwriting factors for comprehensive medical, Medicare supplement, and dental and vision for investment income adjustment.
 - 2024-10-P – Address the current double-counting issue for companies with stop-loss premium, as the stop-loss premium is expected to be entered on line 9 of PR019.
 - 2024-11-P – Change the underwriting risk reserves and premiums line 4 and line 8 factors based on the 2023 American Academy of Actuaries’ (Academy’s) *Update to Property and Casualty Risk-Based Capital Underwriting Factors and Investment Income Adjustment Factors* report. The Working Group decided to use 50% indicated change with capped international and product liability lines for reserves and 50% indicated change with capped financial mortgage guaranty line for premium for 2024 reporting.
 - 2024-12-H (Modified) – Adjust the health care receivable factors in XR021 to include a tiered adjustment factor on pharmaceutical and non-pharmaceutical rebate receivables in aggregate (i.e., aggregation of claim overpayment receivables, loan and advances to providers, capitation arrangement receivables, risk sharing receivables, and other health care receivables).
 - 2024-13-CA – Update the RBC factors for receivables for securities.
 - 2024-14-P – Annual update of the industry underwriting factors (premium and reserve) in the P/C RBC formula.
 - 2024-15-L – Modify pages L008 and L009 for collateral loans backed by mortgages.
 - 2024-17-L – Add a factor for the line added to LR009 to specifically address line 44 of the AVR equity component as part of proposal 2024-05-L. This AVR line was not included in the LR009 changes made with the mortgage methodology change in 2013.
 - 2024-18-CA – Add a 20% charge for the total residual tranches or interests in PR008 for P/C and XR008 for health.
- Considered revisions to the charge for residual tranches for life entities. Revisions were not supported, resulting in adoption action to retain the 45% charge for residual tranches or interests with a 0% sensitivity factor for year-end 2024 as adopted in 2023-09-IRE.

8. Uniform Certificate of Authority Application (UCAA), *Company Licensing Best Practices Handbook*, and Related Items

- Adopted modifications to the expansion application form (Form 2).
- Adopted modifications to the expansion application questionnaire (Form 8).
- Adopted modifications to the expansion application plan of operation (narrative template).

- 9. NAIC *Own Risk and Solvency Assessment (ORSA) Guidance Manual (ORSA Guidance Manual)* and Related Items**
 - ☐ None
- 10. *Receiver's Handbook for Insurance Company Insolvencies (Receiver's Handbook)* and Related Items**
 - ☐ None
- 11. *Process for Evaluating Qualified and Reciprocal Jurisdictions* and Related Items**
 - ☐ None
- 12. NAIC Enterprise Risk Report (Form F) Implementation Guide and Related Items**
 - ☐ None
- 13. *Troubled Insurance Company Handbook* Changes and Related Items**
 - ☐ None
- 14. Risk Retention Group (RRG) Regulatory Tools and Related Items**
 - ☐ None
- 15. Group Capital Calculation (GCC) Instructions and Template**
 - ☐ None.
- 16. Financial Stability/Macroprudential Risk Assessment Tools and Related Items**
 - ☐ None

Life Amendments Adopted by the Life Insurance and Annuities (A) Committee July 15, 2024

Health Amendments Adopted by the Health Insurance and Managed Care (B) Committee June 13, 2024

Pending Adoption by the joint Executive (EX) Committee and Plenary, Aug. 15, 2024

Amendments for the 2025 Valuation Manual

Life VM Amendment	Valuation Manual Reference	Valuation Manual Amendment Proposal Descriptions	LATF Adoption Date
2023-08	VM- 20 Section 7.D.7, VM-30 Section 3.B.5	Clarifies the allocation of negative interest maintenance reserves (IMR) for VM-20 and VM-30 and that non-admitted IMR is excluded from the allocation.	8/31/2023
2023-09	VM-20 Section 9.C.2.h	This amendment requires companies to apply historical mortality improvement rates, which may be negative.	10/5/2023
2023-11	VM-20 Section 8.C.17 and VM-21 Section 1.C.3	This amendment proposes removal of references to risk-based capital (RBC) in VM-20 and VM-21 that are inconsistent with the purpose, scope, and intended use of RBC to be consistent with improvements made in related sections of the VM-22 draft.	1/25/2024
2023-12	VM-01 and VM-30 Section 3.B	This amendment clarifies expectations on the reflection of equity return volatility in VM-30 cash-flow testing.	2/29/2024
2024-01	VM-01 "Qualified Actuary"	Model 820 specifically calls out a qualified actuary as a person "who meets the requirements specified in the valuation manual." This amendment adds the requirement that "A qualified actuary must meet the specific qualification standard for providing a NAIC Annual Statement Opinion".	4/25/2024
2024-02	VM-G Governance in PBR Actuarial Report, VM-31 Section 3.C.7 and Sections 3.C.8 - 3.C.11, VM-31 Section 3.B.6	This amendment clarifies that documentation on VM-G applies to all products subject to principle-based reserves (PBR). Currently VM-G documentation is only required in the Life PBR Actuarial Report.	2/29/2024
2024-04	VM-20 Section 9.D.5	This amendment updates the industry lapse experience table used for minimally funded universal life with secondary guarantee (ULSG) policies to the term-to-100 lapse experience table published by the Canadian Institute of Actuaries in December 2021.	4/25/2024
2024-06	VM-22 Section 3.C.3	This amendment permits companies to elect to consistently determine statutory maximum valuation interest rates for non-jumbo contracts as if they were jumbo contracts, with prior approval of the domiciliary commissioner.	6/6/2024
2024-05	Valuation Manual II, Subsection 3: Deposit-Type Contracts	This amendment allows companies to consistently determine statutory maximum valuation interest rates monthly rather than annually for certain simple deposit-type contracts with prior approval of the domiciliary commissioner.	6/6/2024
2024-09	VM-21 Section 3.A and VM-21 Section 4.B.1	This amendment corrects the order of operations for the pre-tax IMR application in VM-21.	6/6/2024
2023-13	VM-M Sections 1 and 2, VM-31 Section 3.D.3, VM-20 Sections 3.C.1.h, 9.C.3.b and 9.C.3.g	This amendment requires the use of non-U.S. mortality tables for blocks of business issued in foreign countries covering insureds who are not residents of the U.S. These tables must be approved by LATF before being used for reserve purposes. This amendment also adds several annuity tables to VM-M.	6/13/2024
2024-07	VM-21 Section 6.C.2, VM-21 Section 6.C.6, VM-21 Section 6.C.9, VM-21 Section 11.B.3	This amendment makes updates to VM-21 standard projection amount maintenance expense, full surrender, and mortality assumptions.	6/13/2024
2024-08	VM-21 Section 4.B.3	This amendment clarifies the calculation of the Net Asset Earned Rate (NAER) on additional assets, providing additional detail on how the initial additional asset portfolio is constructed and how it is reinvested.	6/13/2024

Updates to the Financial Condition Examiners Handbook

2024 Handbook Updates

Topic	Revision/Addition/Deletion	Sections	Heading
Climate Related Risks	Additional guidance was added to further the integration of climate change risks into the financial examination process.	Section 1	Section 1-3
		Section 3 - Examination Repositories	Investments
			Reinsurance Assuming
			Reinsurance Ceding
			Underwriting
		Section 4 - Exhibits	Exhibit A
			Exhibit B
			Exhibit I
			Exhibit V
			Exhibit Y
			Exhibit DD
		Glossary	Glossary
Memorandum of Understanding	Updates to reference the optional use of the Memorandum of Understanding in pre-liquidation coordination and information sharing.	Section 1	Section 1-3
Affiliated Service Agreements	Additional guidance and procedures were added to assess the appropriateness of using a market-based expense structure in affiliated service agreements.	Section 1	Section 1-3
		Section 2	Phase 1
		Section 3 - Examination Repositories	Related Party
		Section 4 - Exhibits	Exhibit A
			Exhibit H
Exhibit G	Updates to Exhibit G and corresponding references throughout the Handbook were updated to align the exhibit with the risk-focused exam approach and clarify which parts of the exhibit should be completed in which circumstances.	Section 1	Section 1-4
		Section 4 - Exhibits	Exhibit A
			Exhibit E
			Exhibit G
Strategic and Operational Risks of Health Insurers	Guidance was added to encourage review of strategic and operational risks faced by health insurers during an examination.	Section 3 - Examination Repositories	Capital and Surplus
			Underwriting
		Section 4 - Exhibits	Exhibit V
Peer Review Takeaways	New guidance was added to clarify the expectations of the department analyst through the examination and require that the status reports should include any significant additions or deviations from the initial exam approach, and the rationale for these changes.	Section 1	Section 1-10
		Section 4 - Exhibits	Exhibit D