

### ***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 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, allowing 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 10, 2026**. 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 2026 Spring National Meeting**

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

March 31, 2026

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

April 10, 2026

The following technical items were adopted by the Financial Condition (E) Committee during the 2026 Spring National Meeting:

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

- Adopted the following statutory accounting principle (SAP) revisions:
  - *Statement of Statutory Accounting Principles (SSAP) No. 3—Accounting Changes and Corrections of Errors, SSAP No. 51—Life Contracts, and SSAP No. 52—Deposit-Type Contracts*: Revisions provide guidance on the optional implementation period for the *Valuation Manual* revisions for non-variable annuities and updates disclosures for the phase-in period for the economic scenario generator. (Ref #2025-34)
  - *SSAP No. 22—Leases*: Revisions 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 by the seller using the financing method. These revisions were adopted with an effective date that encompasses all contracts in effect on or after March 23, 2026. (Ref #2025-01)
  - *SSAP No. 40—Real Estate Investments and SSAP No. 90—Impairment or Disposal of Real Estate Investments*: Revisions delete previously superseded text. (Ref #2025-32)
  - *SSAP No. 47—Uninsured Plans*: Revisions clarify inconsistencies in the disclosure calculation for administrative services contracts (ASCs). (Ref #2025-30)
  - *SSAP No. 56—Separate Accounts*: Revisions require nonadmittance for book value separate account assets consistently with assets held in the general account. (Ref #2025-25)
  - *SSAP No. 103—Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*: Revisions remove guidance that required nonadmittance of long-term repurchase agreements, retaining guidance that requires nonadmittance of long-term reverse repurchase agreements. (Ref #2025-28)
  - *Interpretation (INT) 05-05: Accounting for Revenues Under Medicare Part D Coverage*: Revisions describe the Dec. 31, 2024, discontinuation of the coverage gap discount program and add reference to the federal Centers for Medicare & Medicaid Services (CMS) manufacturer’s discount program. (Ref #2025-31)

**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:
  - 2025-17BWG Modified — Add an annual general interrogatory to indicate the method used for reporting residuals and update Notes to Financials (Note 1C6 and 5D) for consistent reporting

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between SSAP No. 26—*Bonds*, SSAP No. 43—*Asset-Backed Securities*, and SSAP No. 21—*Other Admitted Assets*.

- 2025-18BWG — Add clarifying instructions for Health General Interrogatory 10.21 through 10.24 and an example to the Health General Interrogatory Part 2 Instructions. Add a cross-check from the general interrogatory to Exhibit 7, Part 1.
- 2025-19BWG Modified — Add a code of “S” to the Active Status column on Schedule T to identify if a license has been suspended.
- 2025-20BWG Modified — Update Schedule D, Part 6, Section 1 reporting categories and asset valuation reserve (AVR) lines to update the classification of investment subsidiaries.
- 2025-21BWG — Add clarifications of definitions and requirements within the Property/Casualty Actuarial Opinion to gain greater consistency and accuracy in reporting.
- 2025-22BWG Modified — Add an electronic-only column to the investment schedules to identify whether the investment is publicly registered, Rule 144, private placement security, or not applicable. Add a new part to Note 5 – Investments to report the total book/adjusted carrying value (BACV), fair value (with fair values determined by level 2 and level 3 reported), the total amount of aggregate deferred interest and paid-in-kind (PIK) interest, and the total BACV supported by private letter ratings (PLRs).
- 2025-28BWG Modified — Add two investment characteristics categories to the annual Schedule A, Part 1, to clarify if an investment is owned by a qualifying statutory trust. Update the annual and quarterly Schedule B instructions for reporting guidance for mortgages held in qualifying investments in statutory trusts, and add loan type codes to identify the mortgage loans.
- 2025-30BWG Modified — Update Notes to Financials Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans to clarify reporting retirement plan assets at net asset value (NAV).

- 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 proposals:
  - 2025-08-CR (Jan. 1–Oct. 15 Cat Event List) – Update the U.S. and non-U.S. catastrophe event lists to include catastrophe events between Jan. 1 and Oct. 31, 2025.
  - 2025-17-L (LR027 Scope Clarifications) – Clarify the LR027 in the life and fraternal risk-based capital (RBC) blanks. Companies holding reserves for payout annuities that arise from variable annuities under VM-21, Requirements for Principle-Based Reserves for Variable Annuities, (subject to domiciliary commissioner approval) should exclude those reserves from the interest rate risk and market risk calculation.
  - 2025-19-CR (Separating Earthquake and Hurricane Lines Experience Data in PR100s) – Separate hurricane and earthquake losses and align their reporting with the approach used for wildfire and severe convective storm perils.
  - 2025-20-CR (Wildfire Rcat Implementation) – Incorporate the wildfire peril into the Rcat component of the property/casualty (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**

- 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