Is NAIC Poised to Take a Fresh Approach to Its Investment-Related Initiatives?

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Understanding Who Does What at the NAIC

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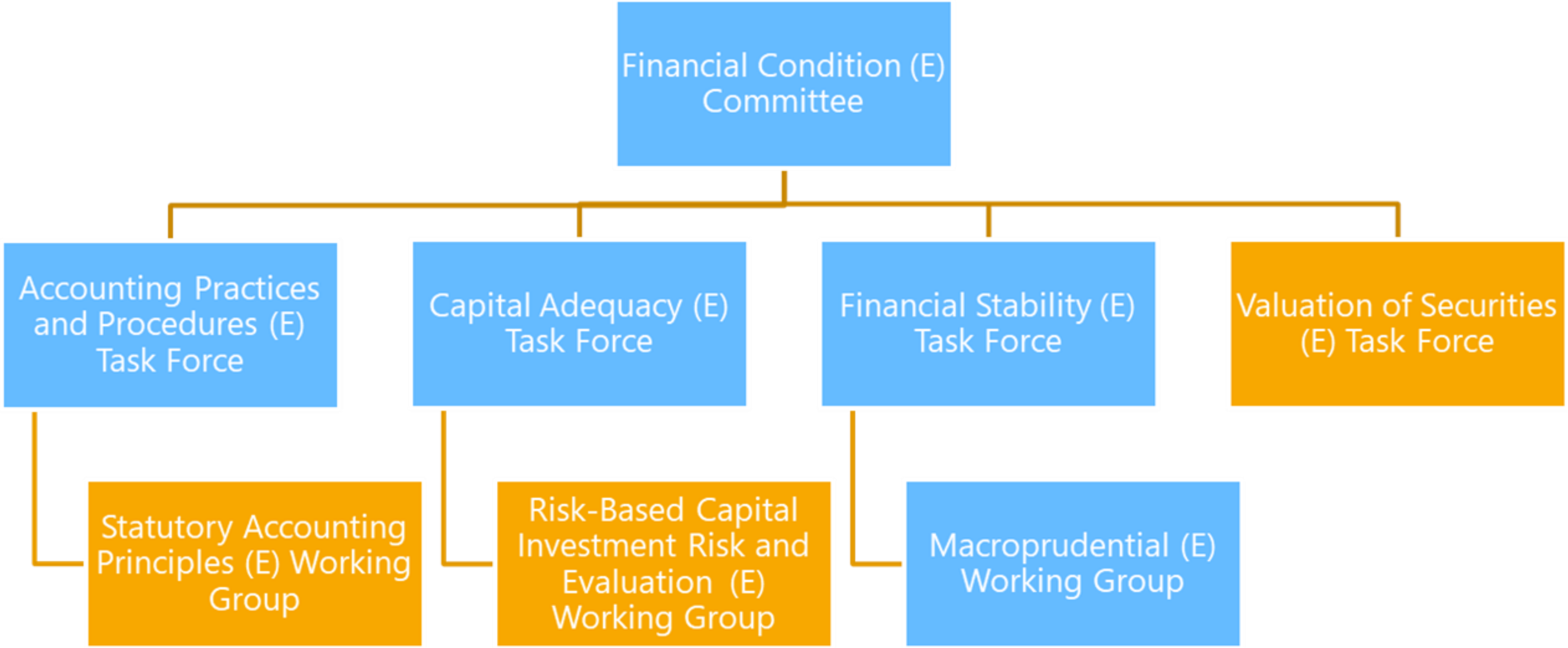
The Important Role of the NAIC

- Unlike most other countries, the business of insurance in the United States is regulated primarily at the **state** level
- The **National Association of Insurance Commissioners (NAIC)** is a standard setting and regulatory support organization governed by the chief insurance regulators of the 50 U.S. states, the District of Columbia, and five U.S. territories
- The NAIC's **Financial Condition (E) Committee** coordinates the financial aspects of NAIC standard setting and, at last count, had 38 subgroups
- Three of those subgroups have a key role in setting standards for the treatment of insurance company investments and are currently engaged in important initiatives

Key NAIC Units That Address Treatment of Insurance Company Investments



The Roles of SAP WG and VOS TF

- The **Statutory Accounting Principles (E) Working Group (SAP WG)** is responsible for developing and maintaining statutory accounting principles (STAT or SAP) that govern financial reporting by insurance companies
  - It maintains the Accounting Practices and Procedures Manual **(AP&P Manual)**, which contains the **Statements of Statutory Accounting Principles (SSAPs)**
- The **Valuation of Securities (E) Task Force (VOS TF)** is responsible for the NAIC's credit assessment process for securities owned by insurance companies
  - It oversees the **Securities Valuation Office (SVO)** and Structured Securities Group (SSG), which, together with the Capital Markets Bureau, constitute the NAIC Investment Analysis Office (IAO)
  - It maintains the **Purposes and Procedures Manual** of the NAIC Investment Analysis Office **(P&P Manual)**

Risk-Based Capital Investment Risk and Evaluation (E) Working Group Launched in 2022

- Charged with performing a comprehensive review of the C1 (investment risk) component of the NAIC's risk-based capital (RBC) investment framework
- Since its inaugural meeting on January 12, 2022, has focused on the RBC treatment of asset-backed securities (ABS) including collateralized loan obligations (CLOs), collateralized fund obligations (CFOs) and other securities carrying similar types of "tail risk," including:
  - Methodologies for capturing the risk (including tail risk) of investing in such assets
  - Whether residual tranches in ABS structures can be evaluated in conjunction with and under similar methodologies as the debt tranches
  - Specific proposals for addressing RBC treatment of residual tranches – on both an interim and long-term basis – to reduce arbitrage incentives

SVO Filing Exemption and the Use of Ratings

Recap of Notable Developments That Became Effective in 2021 and 2022

- Since January 1, 2021, insurers need to file **PPS investments** with the SVO for review and assignment of an NAIC designation, rather than benefiting from a filing exemption whereby they could simply use the NAIC designation equivalent to the credit rating assigned by an NAIC-recognized credit rating provider (CRP), *i.e.*, NRSRO
  – On August 11, 2022, the VOSTF amended the PPS definition to clarify that PPS need not involve an SPV or "repackaging" of underlying securities, but include notes with a variable return tied to reference assets
- Since January 1, 2022, as a general rule, insurers that invest in securities that have a **private letter rating** are required to provide the SVO with a copy of the related private letter rating rationale report from the applicable CRP
  – The SVO has been analyzing the data gleaned from the private letter rating rationale reports and has been citing that data to build a case for giving the SVO the ability to override the CRP rating and substitute its own analysis to determine the NAIC designation

2021 Memorandum from IAO Senior Staff

- At the December 12, 2021 VOS TF meeting, the VOS TF received a memorandum from the senior staff of the IAO reiterating the IAO's concerns about CRP ratings. The memorandum included reports on:
  - An SVO staff review of a sample of privately rated securities, where the NAIC designations equivalent to the CRP's rating differed significantly from the staff's own analysis (in some cases being three to six notches higher than staff's estimates)
  - An IAO analysis of both publicly rated and privately rated securities, showing poor correlation and significant rating notch differences between CRPs that rated the same security
- The IAO staff pointed out the potential for significant distortion of an insurer's RBC ratio that can result from a CRP rating that does not reflect a reasonable assessment of a security's risk

SVO's Structured Equity and Funds Proposal

- On December 14, 2022, the VOS TF exposed for comment an SVO staff proposal to deny filing exemption to "**Structured Equity and Fund**" investments, to be defined as follows:
  - "A Structured Equity and Fund investment is a note issued by, or equity or limited partnership interest in, a special purpose vehicle, trust, limited liability company, limited partnership, or other legal entity type, as issuer, the contractually promised payments of which are wholly dependent, directly or indirectly, upon payments or distributions from one or more underlying equity or fund investments. The inclusion of an intervening legal entity or entities between the Structured Equity and Fund investment issuer and the underlying equity or fund(s), does not change the risk that the insurer investment is ultimately dependent, in whole or in part, upon an investment in equity or one or more funds and its underlying investments. Any design that circumvents this definition, and related examples, through technical means but which in substance achieves the same ends or poses the same risk, shall be deemed a Structured Equity and Fund."

Rationale for and Response to the SVO's Structured Equity and Fund Proposal

- Denying filing exemption to "Structured Equity and Fund" investments would have meant that all investments falling within that definition would not receive an NAIC credit quality designation based on their CRP rating, but would receive a designation based on the SVO's own assessment

- SVO staff stated in their proposal that it was motivated by concerns emerging from their review of private letter rating rationale reports, including a perceived **lack of transparency** as to underlying investments and "**regulatory arbitrage**" to gain more advantageous statutory accounting and RBC treatment

- However, the proposal elicited highly critical comment letters from across the insurance industry and was widely viewed as an attempt to undo the progress made in the SAP WG bond project toward allowing for bond treatment of such investment structures (e.g., rated feeder notes and CFOs) under appropriate conditions

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VOS TF Rejects the SVO's Structured Equity and Funds Proposal

- At its March 23, 2023 meeting, the VOS TF:
  - Asked SVO staff to narrow the focus to securities with a private letter rating
  - Asked SVO staff to develop proposed criteria that the SVO could use to deny filing exemption to securities on a case-by-case basis
  - Specified that there would need to be "due process" in which the SVO would have to inform insurers of the reasons for its decision and the insurer would have an opportunity to present a rebuttal
- As stated by a VOS TF member, transparency must go both ways: the SVO needs transparency into these securities, and insurers need transparency into what factors could potentially be used by the SVO to deny filing exemption and override the CRP rating

The SVO's Selective Override Proposal

- On April 25, 2023, the SVO staff proposed to VOS TF amendments to the P&P Manual designed to grant the SVO staff "some level of discretion" over the filing exempt process to address what they called "the NAIC's current blind reliance on credit ratings"
- The proposed amendments would establish a process by which a state insurance regulator or IAO staff could contest an NAIC designation assigned through the filing exemption process which it thinks is "not a reasonable assessment of risk of the security for regulatory purposes" and where the difference between the related CRP rating and the SVO's assessment is at least three notches

The SVO's Selective Override Proposal *(cont'd)*

- Following a notice period and optional appeal by the insurer that owns the security, the SVO would decide whether to maintain or revoke the security's filing exemption eligibility
- Significantly, the SVO's proposal was not limited to securities with a private letter rating as had been directed at the March VOS TF meeting
  - The reason given by the SVO staff for this divergence was that such a limitation would make the process too easy to evade
- In addition, the SVO proposal provided for the ultimate arbiter of an insurance company's appeal to be the SVO itself, which seemed at odds with the mandate to provide for "due process," since the presence of a **neutral** arbiter is generally considered to be an essential element of "due process"

Exposure of the Selective Override Proposal and Critical Responses in the Comment Period

- VOS TF voted at its May 15, 2023 meeting to expose the SVO's proposed amendments for a comment period ending July 14, 2023
- The SVO's proposal elicited twelve comment letters, all of them rather critical
- One of the letters was written to the officers of the NAIC by eight members of the U.S. House of Representatives Financial Services Committee (to which the NAIC officers responded in their own strongly worded letter)
- The comment letters are included in the materials for the August 14, 2023 VOS TF meeting

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The VOS TF August 14, 2023 Meeting – The Chair Sets the Stage for the Discussion

- VOS TF Chair Carrie Mears (IA) said in her introductory remarks that there is no intention for the SVO to replace or compete with rating agencies but that a process for allowing the SVO to challenge rating agency ratings is needed in order for regulators to be ***responsible users*** of CRP ratings
- With regard to comments calling for a third party to make the ultimate decision on insurer appeals of SVO challenges to CRP ratings, she expressed the view that it would not be cost-effective to do so but that a third-party consultant could be engaged to review the ***processes*** used by the SVO

SVO Director, Charles Therriault, Responds to Comments About the Proposed SVO Process

- Regarding the need for a process, he cited the IAO's 2021 memorandum in finding that the CRP's rating on a sample of privately rated securities differed significantly from the IAO staff's own analysis, and that there were significant rating notch differences between multiple CRPs that rated the same security
- Regarding the transparency of the process, he stated that the SVO is limited by confidentiality obligations when dealing with privately issued and privately rated securities. He said the SVO could only publish high-level anonymized information and could share more detailed information only with the insurer that owns a security
- Regarding methodology, he said the SVO generally uses Moody's and S&P methodologies because they are clear, reasonable and widely accepted

SVO Investment Counsel, Marc Perlman, Addresses Comments About the SVO and NRSRO Ratings

- He suggested some people treat the NRSROs as if they have a seal of approval from the SEC – a view he disagrees with – pointing out that the Credit Rating Agency Reform Act of 2006 prohibits the SEC from regulating ratings, methodologies or procedures of rating agencies
- He said this means it is up to consumers of credit ratings – including the NAIC – to evaluate the rating agencies and their methodologies and ratings
- He said NRSRO ratings are not sacrosanct and that the SVO proposal is designed to fill the NAIC's need as a consumer of NRSRO ratings for a mechanism to decide whether and how to use NRSRO ratings
- This seems designed to counter comments that have been expressed to the effect that the SVO is seeking to replace or compete with the NRSROs

SVO Director, Charles Therriault, Further Explains the Proposed Process

- In order for the SVO to initiate a challenge, there would need to be a three-notch difference between the SVO's assessment and the related CRP rating for a particular security
- The insurer that owns the security would be notified that the security is under review and would have:
  - an opportunity to introduce data for consideration by the SVO
  - a right to appeal the SVO's decision
  - if the appeal is denied, an option to either file the security or obtain another NRSRO rating
- Other insurers that own the security could join in the process and the relevant state regulators would also have a key role
- He said that the SVO had compared its proposed process to the processes used internally by insurers and found it to be reasonable

Modifications the SVO Has Agreed to Make in a Revised Proposal

- SVO Director Therriault also stated there were a number of actionable recommendations from the comment letters that the SVO would be incorporating into a revised proposal
- These include recommendations for the SVO to:
  - Publish a generic summary of each override action
  - Produce an annual report summarizing the actions taken during the year
  - Engage an independent third-party consultant to prepare an analysis of the SVO’s process for review by the NAIC’s Executive Committee

Key Comments from Interested Parties at the August 14, 2023 VOS TF Meeting

- The SVO would be making its decision to challenge a rating based on incomplete information (likely the private letter rating rationale report)
  - The SVO needs to request and review additional documents, such as the private placement memorandum and relevant legal documentation for the security, before it issues the rating challenge that the insurer has to try to rebut
- There needs to be a way to notify all insurers who hold the particular security and their respective state regulators at the outset of the review process so that they can participate in the process
- For there to be true due process, the ultimate decision on an appeal needs to be made by a neutral party, rather than the SVO itself
- Clarity is needed as to whether an SVO challenge and override decision are limited to a specific security or potentially applicable to an entire asset class

Key Comments from Interested Parties at the August 14, 2023 VOS TF Meeting *(cont'd)*

- Override decisions, and the uncertainty surrounding override decisions, have the potential to freeze the market for an asset class, and some insurers have already established a moratorium on certain asset classes
- Insurers who own securities that are undergoing a challenge will be in a bind because the existence of the challenge will be material information, and they are precluded by law from selling the security while in possession of material non-public information

Key Comments from VOS TF Members at the August 14, 2023 VOS TF Meeting

- One regulator commented that the purpose of the proposal is to provide a way for the SVO to continue to rely on NRSRO ratings where appropriate, while also providing a “relief valve” for cases where reliance on a particular CRP rating is not appropriate
- Two regulators expressed the view that when an insurer appeals the SVO’s decision, the ultimate decision-maker should be the relevant state regulator or regulators
- VOS TF Chair Mears concluded the discussion by stating that every suggestion made would be reviewed in good faith

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No Apparent Immediate Impact from the "E" Committee's "Holistic Review" Document

- When the agenda for the parent "E" Committee meeting was posted on August 3, 2023, item 16 was a newly released document called "Framework for Regulation of Insurer Investments – A Holistic Review"
- This document includes numerous references to NAIC designations, the role of the SVO and the ongoing project of reviewing RBC factors
- It was widely anticipated that the VOS TF would at least pause and consider the implications of this thoughtful and well-drafted framework document in connection with its consideration of the SVO proposal for rating overrides
- At the very end of the VOS TF meeting, the Chair mentioned the existence of the document, with no indication that it would inform the discussion of, or lead to any change in course regarding, the SVO's override proposal

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What, Then, Can We Expect?

- Current indications are that the proposal to grant the SVO discretion to override an NAIC designation derived from an NRSRO rating is going to be eventually adopted by the VOS TF in some form
- The only question is what kinds of checks and balances will be incorporated into the proposal before it is adopted
  - Checks and balances are critical because it is hard to overstate the potential disruption to an insurer's investment process that will result when a security that was priced based on an indicative NRSRO rating turns out to have a different capital treatment after the insurer has purchased it
- It appears that VOS TF members are willing to add some checks and balances to the process, so the question becomes: "Which ones?"
  - We think the trade association commenters, particularly the ACLI and those organizations that comment jointly with the ACLI, will be the most influential

The Financial Condition (E) Committee and the Holistic Review Document

The "Holistic Review" Document

- The Financial Condition (E) Committee met on August 15, 2023 at the NAIC Summer National Meeting
- The committee briefly discussed the document entitled "Framework for Regulation of Insurer Investments – A Holistic Review" (three members and the chair commented) and then exposed it for a comment period ending October 2, 2023
- The document asks, "What is the most effective use of regulatory resources in the modern environment of insurance regulation for investments?"
- The issues that the document grapples with are directly relevant to the current workstreams of the VOS TF and the RBC IRE WG

"E" Committee's Action on the "Holistic Review" Document

- Chair Elizabeth Dwyer (Director of the Rhode Island Department of Business Regulation) stated that there was no immediate plan to stop the ongoing work of the three key workstreams:
  - the RBC IRE WG's review of RBC for all asset-backed securities
  - the VOS TF implementation of financial modeling for CLO investments
  - the SVO proposal for rating overrides
- The holistic framework document is well worth reading, and we hope that ways will be found to reflect the insights it expresses in the work of the "E" Committee, the RBC IRE WG and the VOS TF
  - That seems to be most likely to occur with the RBC IRE WG, which is still in the early stages of its comprehensive review of RBC for asset-backed securities

The CLO Modeling Project

CLOs – The Poster Child for Addressing "Regulatory Arbitrage"

- On May 25, 2022, IAO staff addressed a memo to VOS TF, asserting that the aggregate RBC charge for holding all tranches of a CLO should be the same as that required for holding the underlying loan collateral, and to the extent it is less than that, then problematic "regulatory arbitrage" is occurring. The IAO memo recommended that:
  - NAIC designations be assigned to CLO investments based on an SSG modeling process that would eliminate the RBC arbitrage (rather than based on CRP ratings) – the modeling of RMBS/CMBS that was instituted in 2009-2010 was invoked as a precedent
  - the current NAIC-6 designation be split into three categories, with a referral to the Capital Adequacy (E) Task Force ("Cap Ad TF") and its RBC IRE WG to assign RBC factors to the new categories 6.A, 6.B and 6.C of 30%, 75% and 100%, respectively, on the theory that an equity RBC charge of 30% is insufficient for "first loss" tranches of some structured investments

The Decision to Make CLOs a Financially Modeled Security

- After many months of deliberation, VOS TF agreed to the first part of the SVO's proposal and amended the P&P Manual on February 21, 2023 to make CLO investments a financially modeled security like RMBS and CMBS
- This change will go into effect when the methodology for the financial modeling has been fully developed
- An *ad hoc* group, led by the SSG and including representatives of industry and the American Academy of Actuaries (the "Academy"), is currently working on developing the methodology, with an aspirational goal of implementing it at the beginning of 2024
- However, the modeling process would not apply to residual tranches of CLOs, which have been addressed separately, as we are about to discuss

Likely Increase in RBC On Residuals

The RBC IRE WG'S Initial Focus - Residuals

- As noted earlier, the RBC IRE WG has a mandate to review the RBC treatment of ABS, but has focused initially on the RBC treatment of **residual tranches** of ABS – on both an interim and long-term basis – to reduce arbitrage incentives
- The RBC IRE WG has requested and received the assistance of the Academy in this endeavor
- Prompted by referral from VOS TF, the question of RBC factors for residual tranches became the first topic on which RBC IRE WG took definitive action
- Initially, the membership of RBC IRE WG (and the insurance industry) was divided on the question of whether the 30% equity charge on residual tranches of ABS was too low and needed to be boosted in the near term, or whether any changes should be deferred until better data was available and a more thorough analysis could be performed

New RBC Charge for Residuals

- When RBC IRE WG met on June 14, 2023, it adopted a compromise approach:
  - For the 2023 RBC calculation, the base RBC factor for residual interests will be 30%, with a "sensitivity factor" of 15%. The sensitivity factor is essentially a *pro forma* addition to the base factor, to show what the RBC ratio would be with the higher RBC charge
  - For the 2024 RBC calculation, the base RBC factor for residual interests will be 45%, with no sensitivity factor
    - However, if industry representatives, actuaries or other interested parties are able to present additional information prior to June 30, 2024 in support of a different factor, then RBC IRE WG will consider modifying the 45% factor prior to the 2024 RBC calculation

SAP WG Exposure: What Is a Residual?

SAP WG Adopts Principles-Based Bond Definition

- The SAP WG met on August 13, 2023 at the NAIC Summer National Meeting
- As expected, the SAP WG adopted the principles-based bond definition – the culmination of a more than three-year project to redefine what investments will be treated as bonds for statutory accounting purposes
- The adoption includes major revisions to *SSAP No. 26R – Bonds* and *SSAP No. 43R – Asset-Backed Securities* (note the change in title), as well as conforming changes to several other SSAPs, notably *SSAP No. 21R – Other Admitted Assets*
- The effective date of the new principles-based bond definition will be January 1, 2025
- See our prior presentation for details of the principles-based bond definition

SAP WG Addresses Definition of "Residual"

- The SAP WG also exposed for a comment period ending September 12, 2023, revisions to *SSAP No. 43R*, *SSAP No. 48 – Joint Ventures, Partnerships and Limited Liability Companies* and the Schedule BA Annual Statement Instructions that are designed to clarify the scope and reporting for investment structures that represent residual interests or a residual security tranche
- The short exposure period was motivated by a desire to make the revisions effective on December 31, 2023, in light of the NAIC action we just discussed to increase the RBC charge on residuals from 30% to 45% in 2024 and to add a 15% sensitivity factor to the 30% RBC charge for 2023.
- Given the new treatment of residuals, it is critically important to define what a residual is, *i.e.*, "who gets whacked" under the new system

Proposed Definition of a Residual (Part 1)

- A residual interest or a residual security tranche (collectively referred to as **residuals**) exists in investment structures that issue one or more classes of debt securities created for the primary purpose of raising debt capital backed by collateral assets
- The primary source of debt repayment is derived through rights to the cash flows of a discrete pool of collateral assets
  - These designs could be backed directly or indirectly through a feeder fund
- The collateral assets generate cash flows that provide interest and principal payments to debt holders through a contractually prescribed distribution methodology (*e.g.*, waterfall dictating the order and application of all collateral cash flows)
- Once those contractual requirements are met, the remaining cash flows generated by (or with the sale of) the collateral assets are provided to the holder of the residual security/residual interest holder

Proposed Definition of a Residual (Part 2)

- When an asset within the discrete pool of assets does not perform as expected, it impacts the extent to which cash flows will be generated and distributed
- The residual holders in the structure continue to receive payments from the collateral so long as there are cash flows in excess of the debt obligations
- The payments to the residual holder may vary significantly, both in timing and amount, based on the underlying collateral performance
- The structural design of a residual interest or residual security tranche can vary, but the overall concept is that they receive the remaining cash flows after all debt holders receive contractual interest and principal payments
- Determining whether an investment in a structure reflects a residual interest or tranche shall be based on the substance of the investment held rather than its legal form

Proposed Examples of Residuals

- Common characteristics of residual interests/residual security tranches include the items noted below, but the presence or absence of any of these factors should not be definitive in determination. Classification as a residual should be based on the substance of the investment and how cash flows to the holder are determined
  - Residuals often do not have contractual principal or interest
  - Residuals may be structured with terms that appear to be stated principal or interest but that lack substance, and result in receiving the residual cash flows of the underlying collateral. The terms allow for significant variation in the timing and amount of cash flows without triggering a default of the structure
  - Residuals do not have credit ratings or NAIC assigned designations. Rather, they are first loss positions that provide subordination to support the credit quality of the typically rated debt tranches
  - Residuals may provide payment throughout the investment duration (and not just at maturity), but the payments received continue to reflect the residual amount permitted after debt tranche holders receive contractual principal and interest payments
  - Frequently, there are contractual triggers that divert cash flows from the residual holders to the debt tranches if the structure becomes stressed

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Examples of What Would Not Be Residuals (According to Prior Industry Comments)

- Private Funds (*e.g.*, equity, debt, hedge) that issue debt for liquidity/ operating purposes rather than to raise capital backed by a discrete pool of collateral assets
- Real Estate Funds (including REITs and JVs) (which are considered Issuer Credit Obligations, or "ICOs", in the principles-based bond definition)
- Non-US registered Funds (which are considered ICOs in the principles-based bond definition)
- Other ICOs in the principles-based bond definition, such as 1940 Act Funds, Business Development Companies, Operating Entities and Holding Companies supported by operating companies

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RBC IRE WG Considers Principles for Structured Securities RBC

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RBC IRE WG Receives a Tutorial from the Academy

- RBC IRE WG met on August 13, 2023 at the NAIC Summer National meeting
- Having taken action on RBC residuals, it turned to its longer-term project of addressing RBC for all asset-backed securities
- Most of the meeting was devoted to a presentation titled “Principles for Structured Securities RBC” given by Steve Smith, who chairs the Academy’s C-1 Subcommittee
  - The C-1 factor is the investment risk component of the Life RBC calculation
- The slides from the presentation are included in the RBC IRE WG meeting materials and are well worth reading

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The Academy's Proposal

- Smith's presentation outlined the Academy's proposal to use a flowchart to determine whether:
  - an asset class needs to be modeled to determine C-1 factors
  - securities within an asset class need to be modeled individually to determine C-1 factors
- Smith expressed a preference on behalf of the Academy for simpler solutions:
  - If an existing factor can be used, it should be used, and individual security modeling should be a last resort
  - However, if the result of the flowchart is that an asset class requires modeling, then the Academy would support a principles-based approach to the derivation of C-1 factors
- A principles-based approach will provide regulators flexibility in responding to new investment structures as they emerge

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Seven "Candidate" Principles for Consideration

- The purpose of RBC is to help regulators identify weakly capitalized insurers. Therefore, small inaccuracies in RBC requirements may not justify a change to the RBC formula
- RBC measures the impact of risk on statutory surplus. Changes in accounting treatment will affect C-1 requirements
- RBC arbitrage can only be measured for ABS where the underlying collateral has an established asset-class-specific C-1 requirement
- The motivation behind creating an ABS structure should have no bearing on its C-1 requirements
- C-1 requirements on ABS should treat the collateral as a dynamic pool of assets, incorporating future trading activity that is likely to occur based on historical data or mandated by the structure's legal documents
- RBC is based on the holdings of an insurer Assets not owned by an insurer should not impact its RBC
- C-1 requirements for ABS should be calibrated to different risk measures where appropriate

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Seeking a Common Definition of RBC Arbitrage

- The Academy's presentation also grappled with the concept of "regulatory or RBC arbitrage" that has recently been cited as a basis for a number of initiatives by the IAO
- Smith referred to the broad definition of RBC arbitrage used by the IAO to refer to holding any tranche of a securitization whose vertical slice carries a different aggregate C-1 requirement compared to the underlying collateral
- He contrasted this with an alternative, narrower definition of RBC arbitrage that includes only instances where the insurer holds the entire vertical slice
- He called for all parties to first collectively agree on a definition of "RBC arbitrage" before discussing its implications for RBC requirements

Next Steps for the RBC IRE WG

- Members of the RBC IRE WG expressed appreciation to Smith for the Academy's presentation
- We hope the Academy's recommendations will be taken seriously in the future deliberations of the RBC IRE WG as it pursues its broad mandate to review the RBC treatment of all asset-backed securities
- Whether that will, in fact, be the case remains to be seen

Additional Resources

READ MORE

- Financial Condition (E) Committee's
  Meeting Summary | Meeting Materials
- Valuation of Securities (E) Task Force
  Meeting Summary | Meeting Materials
- Risk-Based Capital Investment Risk and Evaluation (E) Working Group
  Meeting Summary | Meeting Materials
- Statutory Accounting Principles (E) Working Group
  Meeting Summary | Meeting Materials
- Our November 14, 2022 REVERSEinquiries Workshop: NAIC/SVO – Understanding the Evolving Regulatory Capital Landscape

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