

CLIENT ALERT

Preview: NAIC Fall 2024 National Meeting

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The National Association of Insurance Commissioners (the “NAIC”) will hold its 2024 Fall National Meeting (the “Fall National Meeting”) from November 16 to November 19, 2024. The hybrid format will consist of meetings taking place virtually and in person in Denver, Colorado. Willkie attorneys will attend to follow the key topics listed below, among others. A link to the full agenda for this meeting is available [here](#). Please contact any of the attorneys listed below if you would like to discuss these or other topics before or after the Fall National Meeting.

- **The Financial Condition (E) Committee** will continue discussion of the proposed *Framework for Regulation of Insurer Investments – A Holistic Review*. Below are the expected activities of its working groups and task forces at the Fall National Meeting:
 - **The Statutory Accounting Principles (E) Working Group (SAPWG)** will hear comments on previously exposed items, including a Q&A on the principles-based bond definition which is effective on January 1, 2025, collateral loan reporting, and repack and derivative investments. SAPWG will receive updates on the Interest Maintenance Reserve Ad Hoc Subgroup and the implementation of the new bond definition.
 - **The Valuation of Securities (E) Task Force (VOSTF)** will consider adoption of proposed “non-substantive” updates to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office (P&P Manual)* related to annual reviews of regulatory transactions, NAIC use of credit rating providers, and references to investment risk in the Manual. VOSTF will also receive an update on the development of a modeling methodology for collateralized loan obligations.

Preview: NAIC Fall 2024 National Meeting

- **The Financial Stability (E) Task Force** will hear an update on Financial Stability Oversight Council developments and receive reports on macroprudential, actuarial and international matters.
- **The Life Insurance and Annuities (A) Committee** will hear presentations related to charitable gift annuities, small- and medium-size company issues, and annuity fraud.
 - **The Life Actuarial (A) Task Force** will continue discussing a proposal which would require asset adequacy analysis for certain reinsurance transactions involving long-duration insurance business that rely heavily on asset returns.
 - **The Annuity Suitability (A) Working Group** will discuss comments received on draft regulatory guidance for state insurance departments to use when reviewing a life insurer's compliance with *Suitability in Annuity Transactions Model Regulation* (Model #275).
- **The Innovation, Cybersecurity, and Technology (H) Committee** will hear a presentation on wildfire mitigation technology and receive updates from its working groups.
 - **The Privacy Protections (H) Working Group** will continue discussion of proposed amendments to the *Privacy of Consumer Financial and Health Information Regulation Model Law* (#672), which is being updated to address modern privacy concerns.
 - **The Third-Party Data and Models (H) Task Force** will discuss next steps on its charges to develop and propose a framework for the regulatory oversight of third-party data and predictive models.
- During the joint meeting of the **Executive (EX) Committee** and Plenary, NAIC members will consider adoption of an amendment to the P&P Manual that sets forth procedures for the NAIC's Securities Valuation Office to identify and evaluate a filing exempt security with an NAIC designation determined by a credit rating provider rating that appears to be an unreasonable assessment of investment risk.

In addition:

- **The Climate and Resiliency (EX) Task Force** will hear presentations on community impacts of flooding and wildfires and receive an update on the NAIC National Climate Resilience Strategy.
- **The Special (EX) Committee on Race and Insurance** will receive updates on the progress of its workstreams and the Member Diversity Leadership Forum.

Preview: NAIC Fall 2024 National Meeting

- **The Property and Casualty Insurance (C) Committee** will hear a presentation related to the use of technology in auto claims and provide an update on the state insurance regulatory property/casualty insurance market intelligence data call regarding homeowners insurance. In addition:
 - **The Catastrophe Insurance (C) Working Group** and **the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group** will meet in joint session to hear federal updates and presentations from FEMA, and consider adoption of the Catastrophe Modeling Primer, which is intended to help state insurance regulators better understand catastrophe modeling.
 - **The Cannabis Insurance (C) Working Group** will hear an update on recent federal activities and the regulation of cannabis across states.
- **The Financial Regulation Standards and Accreditation (F) Committee** will consider adoption of updates to the NAIC state accreditation standards to collect additional information about the use of contractor analysts.
- **The International Insurance Relations (G) Committee** will discuss various initiatives at the International Association of Insurance Supervisors (IAIS), including developments related to the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), the holistic framework for systemic risk assessment, and the global insurance capital standard.

Preview: NAIC Fall 2024 National Meeting

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

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