

CLIENT ALERT

Preview: NAIC Spring 2025 National Meeting

March 17, 2025

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The National Association of Insurance Commissioners (the “NAIC”) will hold its Spring 2025 National Meeting (the “Spring National Meeting”) from March 23 to March 26, 2025. The hybrid format will consist of meetings taking place virtually and in person in Indianapolis, Indiana. 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 Spring National Meeting.

- The Financial Condition (E) Committee will continue discussion of the proposed *Framework for Regulation of Insurer Investments – A Holistic Review*. In addition, below are the expected activities of its working groups and task forces at the Spring National Meeting:
 - **The Statutory Accounting Principles (E) Working Group (“SAPWG”)** will hear comments on previously exposed items, including disclosure of modified coinsurance (Modco) and funds withheld assets, updates to Schedule BA for collateral loan reporting, accounting guidelines for investment subsidiaries and accounting, reporting and Risk-Based Capital (“RBC”) guidance for repurchase agreement and securities lending transactions. SAPWG will also discuss new proposed agenda

items, including a proposed definition of interest maintenance reserve (IMR) for SSAP No. 7—*Asset Valuation and Interest Maintenance Reserve*.

- **The Valuation of Securities (E) Task Force (“VOSTF”)** will discuss proposed amendments to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* related to the requirements and filing period of the private rating letter rationale report. VOSTF will also receive updates on the modeling methodology for collateralized loan obligations.
- **The Capital Adequacy (E) Task Force** will discuss *Proposal 2024-16-CA* which proposes revisions to the Risk-Based Capital Preamble to clarify the purposes and intent of RBC.
- **The Risk-Based Capital Investment Risk and Evaluation (E) Working Group** will hear comments and continue discussion on the American Academy of Actuaries’ *Collateralized Loan Obligation C-1 Update* and hear comments and continue discussion on the American Council of Life Insurers’ *RBC Principles for Bond Funds* presentation.
- **The Life Insurance and Annuities (A) Committee** will hear presentations related to charitable gift annuities, small- and medium-sized company issues, and annuity fraud.
 - **The Life Actuarial (A) Task Force (“LATF”)** will discuss the continued development of principles-based reserving requirements and reinsurance asset adequacy testing, including the draft *Asset Adequacy for Reinsurance Actuarial Guideline*. LATF will also hear an update on regulator reviews of *Actuarial Guideline LII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves*.
- **The Innovation, Cybersecurity, and Technology (H) Committee** will hear a presentation from an insurance carrier on its use of artificial intelligence (“AI”) and its reaction to the *NAIC Model Bulletin on the Use of Artificial Intelligence Systems by Insurers*. In addition, below are the expected activities of its working groups and task forces at the Spring National Meeting:
 - **The Big Data and Artificial Intelligence (H) Working Group** will receive further updates on the *Health Insurance AI/ML Survey and Personal Auto AI/ML Survey* follow-up interviews and will discuss the continued development of a regulatory framework for the use of AI systems.
 - **The Cybersecurity (H) Working Group** will continue discussions on cybersecurity and cyber insurance market trends.
- During the joint meeting of the **Executive (EX) Committee and Plenary**, NAIC members will consider adopting the *Premium Increase Transparency Guideline* and amendments to the *Public Adjuster Licensing Model Act* (NAIC Model #228), and receive progress reports on statewide implementation of NAIC-adopted model laws.

- **The Risk-Based Capital Model Governance (EX) Task Force**, which is a newly formed executive-level task force charged with developing guiding principles and coordinating future adjustments to the risk-based capital framework, will meet at the Spring National Meeting.
- **The Climate and Resiliency (EX) Task Force** will hear presentations on international climate work, receive an update from the NAIC National Climate Resilience Strategy for Insurance and hear updates regarding state disaster responses.
- **The Property and Casualty Insurance (C) Committee** will discuss the development of a homeowners' insurance affordability and availability playbook and will consider adoption of the updated *Surplus Lines Service of Process Form*.
 - **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 from FEMA and hear from certain states about recent catastrophic events, the recovery process, and challenges generally.
 - **The Surplus Lines (C) Task Force** met prior to the Spring National Meeting and adopted an updated version of the *Surplus Lines Service of Process Form*, which will be sent for consideration by the (C) Committee, as referenced above.
- **The Market Regulation and Consumer Affairs (D) Committee** will meet to discuss the creation of a Cybersecurity Incident Response Framework and a playbook to address activities of unlicensed entities.
 - **The Producer Licensing (D) Task Force** will discuss licensing uniformity for surplus lines and receive a report from the National Insurance Producer Registry Board of Directors.
- **The Financial Regulation Standards and Accreditation (F) Committee** will discuss revisions to NAIC publications referenced in accreditation standards, including the NAIC's *Accounting Practices and Procedures Manual and Financial Condition Examiners Handbook*.
- **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), updated Insurance Core Principles (ICPs), the holistic framework for systematic risk assessment and the global insurance capital standard. The committee will also hear an update from other international organizations such as the Organisation for Economic Co-operation and Development (OECD) and the Sustainable Insurance Forum (SIF).

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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