

Draft: 8/22/2024

## Financial Condition (E) Committee Technical Changes

Background Information At the 2009 Fall National Meeting, the NAC Membership approved a new process for the final adoption of technical matters coming from the Financial Condition (E) Committee. The 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 (it would not include proposed model laws, model regulations, or guidelines) or items considered controversial.
3. Members of the Executive (EX) Committee (7) (e) Plenary, similar to the consent agenda process

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).

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 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.

*Financial Condition (E) Committee Technical Changes*





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- 2024-05-L – Add a line to LR009 to address line 44 of the *Actuaries* 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 premium 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 – A - 0 TwJ 0p1r d (d0 Tg ( 457 0 Tdp0 Tg876P )Tj 0 (-) -8 dp 5 l05-8m(e9(a

