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TO: Carrie Meyer, Chair, Valuation of Securities (E) Task Force
Members of the Valuation of Securities (E) Task Force

FROM: Charles A. Therriault, Director, NAIC Securities Valuation Office (SVO)
Marc Perlman, Managing Investment Counsel, NAIC Securities Valuation Office (SVO)

CC: Eric Kolchinsky, Director, NAIC Structured Securities Group (SSG) and Capital Markets Bureau

RE: Technical Amendment to the Purposes and Procedures Manual of the NAIC Investment Analysis Office (the P&P Manual) regarding Subsidiary, Controlled and Affiliated SCA and Related Party Bondor Preferred Stock Investments

DATE: January 10, 2024

Summary- In December 2022, the Task Force adopted amendments to the Subsidiary, Controlled and Affiliated (SCA) and Related Party Bond Preferred Stock Investments section of the P&P Manual, to more clearly define SCA investments and include related party investments. Within the definition of SCA and related party bond, reference was made to paragraph 4.3 of SSAP No. 43 on Backed and Structured Securities



