

*2023 Summer National Meeting  
Seattle, Washington*

### **RISK-FOCUSED SURVEILLANCE (E) WORKING GROUP**

Monday, August 14, 2023  
9:30 – 10:30 a.m.

#### **Meeting Summary Report**

The Risk-Focused Surveillance (E) Working Group met Aug. 14, 2023. During this meeting, the Working Group:

1. Discussed proposed changes to the NAIC's *Financial Analysis Handbook* and *Financial Condition Examiners Handbook* to provide additional guidance for state insurance regulators in reviewing service agreements put in place between insurers and their affiliates. As a result of the discussions held, the Working Group agreed to adjust its proposed guidance on cost-plus reimbursement contracts. The Working Group also agreed to refer the updated guidance to the Financial Analysis Solvency Tools (E) Working Group and the Financial Condition Examiners (E) Handbook Technical Group for consideration of adoption.
2. Discussed the next steps to be taken to address a 2022 referral received from the Macroprudential (E) Working Group on affiliated investment management agreements and capital maintenance agreements. Ed Toy (Risk and Regulatory Consulting LLC) provided a presentation on key considerations in the state insurance regulator review of affiliated investment management agreements. The Working Group agreed to form a drafting group to develop guidance for NAIC handbooks in this area.
3. Discussed the status of an all-state survey to collect data on financial analyst and examiner compensation for the purposes of adjusting the salary ranges included in the NAIC handbooks.
4. Received a report on 2023 peer review training sessions, which included one financial analysis session, one financial examination session, and one Own Risk and Solvency Assessment (ORSA)-focused session.