

NAIC 2025 Summer National Meeting

August 29, 2025

The National Association of Insurance Commissioners (the “NAIC”) held its 2025 Summer National Meeting from August 10–13, 2025, in Minneapolis, Minnesota. Debevoise attorneys attended many of the conference sessions in person or virtually and, in this Debevoise In Depth, we highlight our top takeaways from the meeting developments that may be of particular interest to our insurance industry clients, colleagues and friends.

Offshore Reinsurance

On August 13, 2025, the NAIC adopted Actuarial Guideline LV (“AG 55”), titled “Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties.” AG 55 establishes asset adequacy testing (“AAT”) requirements that apply to U.S. life insurers ceding asset-intensive business to offshore reinsurers beginning with the 2025 year-end reporting. Reporting will be due annually on April 1 (first reports due April 1, 2026). Following a review of AAT results for 2025, the NAIC is expected to evaluate AG 55’s disclosure-only approach. Adoption of AG 55 will have a number of knock-on commercial implications for asset-intensive reinsurance deals, including as they relate to in-force treaties, reinsurer reporting, scope of reinsurance reserves, change-in-law risk and business activity as described in our [Debevoise Update](#).

Risk-Based Capital Developments

The NAIC’s strategic priorities for 2025 include an initiative to update governance over the RBC framework. Work related to the RBC framework is a core element of the broader NAIC effort to modernize insurance regulation. The NAIC formed the Risk-Based Capital Model Governance (EX) Task Force (“RBC Task Force”) earlier this year to develop a set of guiding principles for the RBC framework as described in our prior [Debevoise Update](#).

The NAIC is grappling with the evolution of the RBC framework since its adoption decades ago as a “blunt instrument” to identify weakly capitalized insurers. In the intervening years, the use of RBC has expanded to include, for instance, applications related to stress testing, capital planning, dividend capability assessment, product strategy and reinsurance design. In recent years, the RBC framework has been the subject of increased scrutiny from various stakeholders, and regulators have faced challenges attendant to climate change, cybersecurity and the growing use of innovative private credit structures.

The RBC Task Force’s work could influence how RBC requirements evolve, potentially affecting insurer capital planning, reporting obligations and regulatory interactions. The RBC Task Force exposed a draft set of RBC guiding principles at an interim meeting. At its meeting on August 12, 2025, RBC Task Force members indicated the draft RBC guiding principles will be amended based on interested party feedback. The NAIC hired an outside consultant, Bridgewater Analytics, to support the development of the RBC guiding principles.

The NAIC’s Capital Adequacy (E) Task Force (“CATF”) is considering an amendment to the preamble to the RBC blanks (the “RBC Preamble”). As stated by CATF members, an objective of the proposed amendment is to clarify the purposes, and appropriate uses, of RBC. The proposed RBC Preamble amendment has been the subject of controversy. CATF previously deferred action on the proposal at its meeting held May 15, 2025.

The amendment incorporates a narrower conception that the appropriate use of RBC is to identify weakly capitalized insurers to facilitate regulatory action and oversight, while other uses, particularly the financial comparison of insurers, are inappropriate. The proposed revisions would amend the RBC Preamble to limit public disclosure of RBC levels including in “press releases, earnings releases, webcast materials, or any other earnings presentations or webcasts.” A number of stakeholders have raised concerns about the proposed revisions, including consumer advocates who highlight the role of transparency in regulator accountability. Some opposition is linked to an idea that the proposal to revise the RBC Preamble is a precursor to the removal of RBC data (total adjusted capital and authorized control level) from the five-year RBC history schedule in statutory financial statements.

At the Summer National Meeting, the CATF Chair, Mike Yanacheak, emphasized the position CATF members communicated at the May 15, 2025 meeting that there is no proposal to remove said RBC data from the five-year history schedule. The proposed RBC Preamble amendment is deferred until a meeting to be scheduled in October 2025, when CATF aims to adopt changes. In the interim, CATF is continuing to accept comments from interested parties.

New Investment Disclosure

On August 11, 2025, the Statutory Accounting Principles (E) Working Group (“SAPWG”) exposed two proposals related to new disclosure requirements. These disclosure requirements are proposed to be effective December 31, 2026 for reporting in the year-end 2026 financials. The first proposal is to revise annual statement blanks to identify and classify private placement securities in the investment schedules. The proposal also includes an aggregate disclosure to provide key investment information by investment schedule and public or private placement type. The proposal is intended to distinguish between different types of private placements; the example provided for illustration is distinguishing private placements that reflect unregistered resales compliant with Rule 144A from other private placements. SAPWG exposed the private placement security proposal for a comment period ending September 19, 2025. A second proposal includes a series of revisions that provide clarification for reporting debt securities. The effect of the proposal is consistent disclosure for certain technical reporting elements across SSAP No. 26–Bonds and SSAP No. 43–Asset-Backed Securities, and non-bond debt securities and residuals under SSAP No. 21–Other Admitted Assets. SAPWG exposed the debt security disclosure proposal for a comment period ending October 17, 2025.

Interest Maintenance Reserve

SAPWG addressed items related to the broad interest maintenance reserve (“IMR”) project and the IMR Ad Hoc Working Group workstream. SAPWG adopted revisions to INT 23-01: Net Negative (Disallowed) IMR (“INT 23-01”), which had been exposed on June 5, 2025. INT 23-01 is an interpretation of statutory accounting principles that includes guidance and requirements for admitting net negative IMR. The revision extends INT 23-01 through 2026. INT 23-01 is automatically nullified on January 1, 2027. The revisions also add certain requirements and clarify guidance related to admitting net negative IMR.

SAPWG addressed two additional IMR items related to a memorandum containing conclusions from the IMR Ad Hoc Working Group, which was exposed at the Spring National Meeting on March 24, 2025. Consistent with an IMR Ad Hoc Working Group recommendation, SAPWG directed staff to proceed with removing the concept of hypothetical IMR from the IMR project. The IMR Ad Hoc Working Group reached an informal consensus that the practical limitations of applying the concept outweigh any potential benefit of retaining the concept. The IMR project is intended to address discrepancies between the Annual Statement Instructions on IMR/ asset valuation reserve (“AVR”) and statements of statutory accounting principles.

SAPWG directed staff to proceed with using the NAIC staff-proposed IMR definition, which was previously exposed on March 24, 2025. This IMR definition will be used in the broad IMR project revisions to SSAP No. 7 and a forthcoming IMR issue paper. SSAP No. 7 and the forthcoming IMR issue paper will be subject to public exposure.

Regulation of Insurer Investments

On July 28, 2025, the NAIC Financial Condition (E) Committee adopted a proposal to reorganize the Valuation of Securities Task Force (“VOSTF”) as the Invested Assets (E) Task Force (the “IATF”), effective January 1, 2026. The IATF will be a commissioner-level group, chaired and vice-chaired by two commissioners, with each of the member commissioners supported by members of three working groups, consisting of deputy-level financial, actuarial and investment regulatory expertise.

The IATF is charged with understanding investment products that may possess characteristics that pose unique risks to insurers and developing investment-related solvency policy changes (e.g., accounting, RBC, etc.). As part of the reorganization, three new subsidiary working groups will be formed. The working groups will include deputy-level financial, actuarial and investment regulatory expertise.

IATF subsidiary working groups:

- Investment Analysis (E) Working Group
 - This working group is intended to be the primary group under which modernized investment services for the U.S. system are achieved.
 - The working group will be limited in size to no more than 13 members.
 - Most or all of the working group meetings will be regulator only.
 - Various interested parties raised transparency concerns about plans for this working group to conduct meetings on a regulator-only basis.
- Securities Valuation Office (“SVO”) and Structured Securities Group (the “SSG”) (E) Working Group
 - This working group will supervise the NAIC Investment Analysis Office (“IAO”), similar to VOSTF.

- This working group will oversee PLR submissions and review processes.
- This working group will monitor the technology and resources available to implement current and future initiatives efficiently and effectively.
- This working group will also make recommendations regarding the scope of securities required to be modeled and/or filed with the SSG (e.g., Collateralized Loan Obligations (“CLOs”), Collateralized Fund Obligations (“CFOs”), and mortgage-backed securities (“MBSs”)).
 - Notably, the proposal adopted by Financial Condition (E) Committee includes CFOs as an example of a type of security that may need to be modeled or filed with the SSG. Unlike the other types of securities provided as examples (CLOs and MBSs), there is no existing or proposed requirement by the NAIC for CFOs to be modeled and/or filed.
 - A requirement to model CLOs was adopted in a 2023 amendment to the Purposes and Procedures Manual of the NAIC Investment Analysis Office (the “P&P Manual”) but is yet to be implemented. On August 13, 2025, VOSTF exposed an amendment to the P&P Manual to delay by one year the effective date for the financial modeling of CLOs by the SSG to year-end 2026.
- Credit Rating Provider (E) Working Group
 - This working group is intended to implement the due diligence framework (once developed and approved by regulators).
 - This working group is also intended to implement the SVO discretion policy adopted in 2024.
 - The working group will be staffed by two new dedicated staff members who have credit rating, analytical or quantitative backgrounds, as needed, to implement and manage the CRP framework.
 - While this working group’s charges may expand after the due diligence framework is implemented, most of its initial charges were duties of VOSTF.

Big Data and Artificial Intelligence

After a May 15th request for information (“RFI”), the Big Data and Artificial Intelligence (H) Working Group discussed the necessity of developing an AI Model Law that would build off of the NAIC’s AI Principles and AI Bulletin. The Working Group did not reach an official decision on whether it would move forward with the creation of an AI Model Law. The Working Group also discussed the initial draft of the AI Systems Evaluation Tool, which is an optional supplement for state regulators meant to aid regulators in investigating AI governance, testing protocols, high-risk models, data sources and related financial implications. Public comment on the AI Systems Evaluation Tool was extended until September 5th.

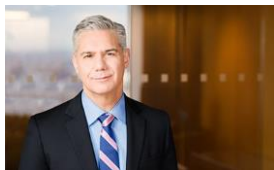
Innovation, Cybersecurity and Technology

The Third-Party Data and Models (H) Working Group, which was recently upgraded from a Task Force, released first draft definitions for “Third-Party Data and Models Vendor.” The definition is in the very early stages of development and will be released for a public comment period after the incorporation of the conference discussions.

- The Cybersecurity (H) Working Group discussed updates and adjustments to the Insurance Data Security Model Law (“IDSM” or “Model Law #668”) and the related Compliance and Enforcement Guide. The Working Group heard comments regarding the lack of clear expectations for compliance testing and has since released a revised version of the document implementing changes requested by stakeholders. The draft of the Compliance and Enforcement Guide will be re-exposed for an additional public comment period. The Working Group also covered its plans to move forward with the Cybersecurity Event Notification Portal project, though it remains at the early stages of development in light of the large amount of legal research required to create a harmonized form and portal.

* * *

Please do not hesitate to contact us with any questions.



Eric Dinallo
Partner, New York
+ 1 212 909 6565
edinallo@debevoise.com



Robert M. Fettman
Counsel, New York
+ 1 212 909 6635
rmfettman@debevoise.com



Samuel J. Allaman
Associate, New York
+ +1 212 909 6026
sjallaman@debevoise.com



Clay Cosby
Associate, New York
+1 212 909 6866
cjcosby@debevoise.com

This publication is for general information purposes only. It is not intended to provide, nor is it to be used as, a substitute for legal advice. In some jurisdictions it may be considered attorney advertising.