

2023 Summer National Meeting
Seattle, Washington

FINANCIAL CONDITION (E) COMMITTEE

Tuesday, August 15, 2023
12:30 – 1:30 p.m.

Meeting Summary Report

The Financial Condition (E) Committee met Aug. 15, 2023. During this meeting, the Committee:

1. Adopted its July 19 and Spring National Meeting minutes. During the July 19 meeting, the Committee took the following action:
 - A. Adopted Life Risk-Based Capital (RBC) Proposals 2023-09-IRE (Residuals Factor) and 2023-10-IRE (Residual Sensitivity Test Factor for Residuals).
 - B. Adopted the *Mortgage Guaranty Insurance Model Act (#630)*.
 - C. Adopted a new charge and a new group titled the Generator of Economic Scenarios (E/A) Subgroup of the Life Risk-Based Capital (E) Working Group as follows:
 - i. Monitor that the economic scenario governance framework is being appropriately followed by all relevant stakeholders involved in scenario delivery.
 - ii. Review material economic scenario generator updates, either driven by periodic model maintenance or changes to the economic environment and provide recommendations.
 - iii. Regularly review key economic conditions and metrics to evaluate the need for off-cycle or significant economic scenario generator updates and maintain a public timeline for economic scenario generator updates.
 - iv. Support the implementation of an economic scenario generator for use in statutory reserve and capital calculations.
 - v. Develop and maintain acceptance criteria that reflect history as well as plausibly more extreme scenarios.
2. Adopted the Macroprudential Reinsurance Worksheet.
3. Adopted *Interpretation (INT) 23-01: Net Negative (Disallowed) IMR*.
4. Adopted the reports of the following task forces and working groups: the Accounting Practices and Procedures (E) Task Force, the Capital Adequacy (E) Task Force, the Examination Oversight (E) Task Force, the Financial Stability (E) Task Force, the Receivership and Insolvency (E) Task Force, the Reinsurance (E) Task Force, the Valuation of Securities (E) Task Force, the Group Capital Calculation (E) Working Group, the Mortgage Guaranty Insurance (E) Working Group, the Restructuring Mechanisms (E) Working Group; and the Risk-Focused Surveillance (E) Working Group.
5. Discussed a Framework for Insurer Investment Regulation



6. Received a presentation regarding the use of artificial intelligence (AI) by Canadian insurance regulators.