



October 6, 2023

NAIC Financial Condition (E) Committee  
Dan Daveline, Director, Financial Regulatory Services  
RE: Framework for Investments Exposure Draft

Dear Mr. Daveline:

The Structured Finance Association (SFA) appreciates the work of the Financial (E) Committee of the National Association of Insurance Commissioners (NAIC) to conduct a holistic review of its regulatory approach to insurer investments.

The SFA has been actively reviewing and commenting on recent proposals from various NAIC task forces and working groups, including:

- A [response](#) to the Proposed Methodology for Valuing Collateralized Loan Obligations (CLOs) from the NAIC's Valuation of Securities Task Force.
- A [response](#) to the Proposed Interim subcategories within NAIC Category 6 from the Risk-Based Capital Investment Risk and Evaluation Working Group.
- A joint trade [response](#) on Proposed Amendments to P&P Manual for Discretion over NAIC Designations.

In these responses, the SFA has noted instances where there have been differing views among its members on the intent and substance of the proposals and the anticipated business impact. Notwithstanding these differences, our members have consistently agreed that improved transparency regarding process, access to more data, and a better understanding of the expected aggregate impact of these regulatory proposals will lead to better outcomes.

The holistic framework articulates a principles-based approach to organizing the Financial (E) Committee's regulation of insurer investments. The review offers a more risk-focused framework that balances the need for effective regulation against a recognition that resources are limited.

Provided that the NAIC leverages the holistic framework to improve its regulatory engagement process, we believe it will help ensure that insurance companies can continue to rely on asset-backed securities as a vital source of investment opportunities.

The SFA appreciates this opportunity to comment on the holistic review and looks forward to providing feedback on future regulatory proposals issued under this new approach.

Sincerely,

A handwritten signature in black ink, appearing to read "Dallin Merrill", positioned above a horizontal line.

Dallin Merrill

Senior Direct, Policy