



July 26, 2024

VIA ELECTRONIC SUBMISSION

Valuation of Securities (E) Task Force  
National Association of Insurance Commissioners  
1100 Walnut Street, Suite 1500  
Kansas City, MO 64106-2197

**Re: Revised Amendment to the NAIC IAO P&P Manual Authorizing Procedures for SVO Discretion over NAIC Designations Assigned Through the Filing Exemption Process**

Dear Members of the Valuation of Securities (E) Task Force (“Task Force”):

The American Investment Council (“AIC”)<sup>1</sup> appreciates the opportunity to comment on the proposed *Revised Amendment to the Purposes and Procedures Manual (“P&P Manual”) of the National Association of Insurance Commissioners (“NAIC”) Investment Analysis Office (“IAO”) Authorizing the Procedures for the NAIC Securities Valuation Office’s (“SVO”) Discretion Over NAIC Designations Assigned Through the Filing Exemption (“FE”) Process (“Proposed Amendment”)*<sup>2</sup> that was exposed for public comment on June 18, 2024. As noted in our January 26, 2024 letter to the Task Force,<sup>3</sup> we support a comprehensive, methodological and holistic review of the myriad of recent investment-related initiatives undertaken by various NAIC

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<sup>1</sup> The American Investment Council, based in Washington, D.C., is an advocacy, communications, and research organization established to advance access to capital, job creation, retirement security, innovation, and economic growth by promoting responsible long-term investment. In this effort, the AIC develops, analyzes, and distributes information about private equity and private credit industries and their contributions to the US and global economy. Established in 2007 and formerly known as the Private Equity Growth Capital Council, the AIC’s members include the world’s leading private equity and private credit firms which have experience with the investment needs of insurance companies. As such, our members are committed to growing and strengthening the companies in which, or on whose behalf, they invest, to helping secure the retirement of millions of pension holders and to helping ensure the protection of insurance policyholders by investing insurance company general accounts in appropriate, risk-adjusted investment strategies. For further information about the AIC and its members, please visit our website at <http://www.investmentcouncil.org>.

<sup>2</sup> The Proposed Amendment is available at: <https://content.naic.org/sites/default/files/inline-files/2023-005.16%20P%26P%20SVO%20Discretion%20-%20Revised%20v5.4.pdf>.

<sup>3</sup> Our January 26, 2024 letter is available at: <https://www.investmentcouncil.org/aic-comment-letter-to-the-naic-on-amendment-to-the-naic-iao-pp-manual-authorizing-procedures-for-svo-discretion-over-naic-designations-assigned-through-the-filing-exemption-process/>.

working groups and task forces (including the Task Force), and commend state insurance regulators for recognizing the need to conduct a holistic review of those initiatives.<sup>4</sup>

In the event that the Proposed Amendment is ultimately adopted and in light of the comment in the Proposed Amendment’s cover note that the SVO will likely need to collect fees “to recover the initial and ongoing expense related to the revised proposal” we respectfully request that the NAIC make such fee assessment as transparent as possible. In addition to the issue of transparency, we also want to highlight a potential concern with respect to the use of highly confidential and proprietary data that the NAIC is privy to because of its role in the insurance regulatory process. Indeed, given that the SVO serves a regulatory rather than commercial function, we respectfully request that the P&P Manual include additional language expressly prohibiting the SVO and any third-party vendor from selling or otherwise disclosing any data (including anonymized data) or analysis that may be collected or produced through the SVO’s discretionary rating process. We request that data be maintained for strictly regulatory purposes.

Thank you for your consideration of these comments. We look forward to continuing to work with you on these important issues.

Sincerely,

/s/ Rebekah Goshorn Jurata  
General Counsel  
American Investment Council

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<sup>4</sup> See also our October 9, 2023 letter to the Financial Condition (E) Committee regarding the NAIC’s *Framework for Regulation of Insurer Investments – A Holistic Review*. The October 9 letter is available at: <https://www.investmentcouncil.org/aic-comment-letter-to-e-committee-re-holistic-framework/>.