



SUMMARIES *and* REPORTS

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2012 Summer National Meeting
 Atlanta, GA

CAPTIVE AND SPECIAL PURPOSE VEHICLE (SPV) USE (E) SUBGROUP August 11, 2012 11:30 a.m. – 1:00 p.m.

Meeting Summary Report

The Captive and Special Purpose Vehicle (SPV) Subgroup met Aug. 11, 2012. During this meeting, the Subgroup:

1. Discussed the Subgroup's draft Captive and Special Purpose Vehicle White Paper. The White Paper addresses state authority, confidentiality and transparency, types of business ceded to captives and SPVs, capitalization, credit for reinsurance, holding company analysis considerations and provides conclusions and recommendations from the Subgroup's study. The recommendations address:
 - Accounting considerations regarding the treatment of XXX and AXXX reserve redundancies (i.e., reserves held in accordance with the *Valuation of Life Insurance Policies Model Regulation* (#830)),
 - Possible enhancements to the *Special Purpose Reinsurance Vehicles Model Act* (#789),
 - Adherence with the International Association of Insurance Supervisors standards related to use of captives,
 - Enhanced financial statement disclosures,
 - Enhanced transparency to other functional regulators,
 - Enhanced analysis guidance, including holding company analysis,
 - Development of accreditation guidelines, and
 - Recommendation to study further the developments regarding letters of credit issued on a qualified basis.

The Subgroup plans to review the draft over the next two weeks and then release the draft for public comment on a future conference call.

2. Adopted its July 26, July 12, June 14, June 21, May 24, May 3, April 19 and April 5 conference call minutes.



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NOW AVAILABLE: Individual packets of parent committee [National Meeting Minutes](#), including all task force and working group attachments, also are available for purchase through the NAIC Store (electronic format only).