



June 12, 2017

Superintendent Eric A. Cioppa, Chairman
Financial Condition (E) Committee
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500 Kansas City, MO 64106-2197

RE: Collection of Mid-Year Investment Information

Dear Superintendent Cioppa:

Thank you for the opportunity to comment regarding the current proposal to collect expanded mid-year investment information. Our three organizations are providing comments together as we are all in agreement regarding the adoption of this proposal. The Vermont Captive Insurance Association ("VCIA"), with over 450 members, is the largest trade association for captive insurance in the world, and represents the captive insurance industry in Vermont. The Captive Insurance Companies Association ("CICA") is the leading domicile-neutral trade association representing the global captive insurance industry. And the National Risk Retention Association ("NRRA") is a 501(c)(6) non-profit and non-partisan trade association that is dedicated to the advancement of the risk retention and purchasing group industry.

We strongly oppose this proposal for several reasons. Adoption of the proposal would adversely affect small insurance companies and Risk Retention Groups (RRGs). Such small insurance companies generally have very conservative portfolios and are often not representative of the insurance industry generally. The cost of providing this information by RRGs and other small companies will far outweigh the benefits that might be obtained for analysis by the NAIC.

Further, we do not believe that the information provided by expanded mid-year reporting would be useful for regulatory analysis of small companies. Quarterly statements are filed 45 days after the statement date, and any analysis results would be weeks in gestation. There are daily financial press reports, and if the news warrants additional data, insurance departments can call for it; otherwise insurance departments are likely to be collecting information for which they have no immediate need.

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If it should be determined that there is a need for this additional collection of data, we strongly suggest that a small company exemption for those insurance companies, including RRGs, with premiums less than \$500 million be incorporated into the proposal. Their exclusion from the analysis project would not likely affect the outcome of the analysis due to their relatively small asset base.

Thank you again for your consideration of the comments from all three of our organizations.

Sincerely,



Richard Smith
President
VCIA



Daniel D. Towle
President
CICA



Joseph Deems
Executive Director
NRRA

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