

NAIC Filing Exemption (FE) Rule

- What is FE?

A new rule adopted by the NAIC which grants exemption from filing with the SVO for bonds and preferred stock that have been assigned a current, monitored rating by an NRSRO.

- When did FE become effective?

January 1, 2004



File Or Not File?

Does Not Need to be Filed:

- Short-Term Investments (<1 year maturity)
- U.S. Government direct obligations and “Full Faith and Credit” U.S. Government Agencies
- Schedule BA Assets
- “FE” – Filing Exempt Securities



Filing Exempt - FE

- Bonds – Rated and *monitored* by one or more NRSRO
- Preferred Stocks – Rated and *monitored* by one or more NRSRO
- Common Stock –
 - Not restricted in transferability of ownership
 - Listed on NYSE, AMEX, or NASDAQ



NRSRO

- NRSRO stands for Nationally Recognized Statistical Rating Organization.
- Rating Organizations currently on the NAIC's NRSRO list: Moody's, S&P, Fitch, and DBRS.



Must Be Filed

- All bonds and preferred stocks not “FE” eligible
- Private Placement Securities
- Common stock for which a price is wanted
- Subsidiary Securities



Filing With The SVO

- Within 120 days of purchase
- Use ISIS
- Obtain ATF
 - Eliminates multiple filings of same security
 - Annual Updates

