



July 13, 2023

To: Standard & Poor's Global Ratings (S&P), via website portal: [spglobal.com](https://www.spglobal.com)

RE: Request for Comment: Insurers Risk-Based Capital Adequacy—Methodology and Assumptions, published May 9, 2023

Dear Standard & Poor's:

The Private Placement Investors Association (PPIA) appreciates the opportunity to provide feedback regarding your latest proposed changes to the S&P Insurer Risk-Based Capital Model (Capital Model). You may recall that the PPIA submitted a letter in early 2022, in response to your earlier proposed Capital Model revisions. At that time, the PPIA was most concerned with S&P's plans to notch:

- 1) Ratings assigned by other NRSROs and
- 2) Designations assigned by the Securities Valuation Office of the NAIC in the Capital Model.

With this latest Capital Model draft, it appears that Standard & Poor's has been responsive to market feedback and has decided to defer to the NAIC's policy regarding ratings from competing NRSROs. We welcome this decision and applaud S&P's decision to withdraw its notching plans. We believe this is a prudent approach and are supportive of the revision. Thank you for responding to industry's concerns.

We also want to thank S&P staff who made time to explain the proposed Capital Model changes and answer our questions, both with the first and second drafts of the model. The outreach received—particularly from Gerard Painter, who organized tutorials for our membership and made multiple calls for feedback—is appreciated. We value Gerard's and other staff members' partnership and communication.

Sincerely,

John Petchler

John Petchler, President
On behalf of the PPIA Board of Directors

Cc: Gerard Painter, Senior Director, Ratings Outreach

The Private Placement Investors Association ("PPiA") is a business association of insurance companies, other institutional investors, and affiliates thereof, that are active investors in the primary market for privately placed debt instruments. The association exists to provide a discussion forum for private debt investors; to facilitate the development of industry best practices; to promote interest in the primary market for privately placed debt instruments; and to increase accessibility to capital for issuers of privately placed debt instruments. The PPIA serves 66 member companies and works with regulators, NASVA, the ACLI, the American College of Investment Counsel, and the investment banking community to efficiently implement changes within the private placement marketplace. For more information, visit www.usppia.com.