§ 1702. Definitions. As used in this article: (a) "Subsidiary" means subsidiaries of the types described in subsection (b) of section one thousand seven hundred four of this article and subsidiaries acquired or held under this article, section one thousand four hundred five or section four thousand two hundred forty of this chapter, but shall not include a subsidiary acquired or held under section one thousand four hundred four of this chapter or a subsidiary acquired or held by an insurer authorized to make investments by subsection (c) of section one thousand four hundred three of this chapter.

(b) "Parent corporation" means a parent corporation of a type described in subsection (a), (b) or (c) of section one thousand seven hundred one of this article.

(c) "Holding company operating subsidiary" means a subsidiary (other than a separate account subsidiary) engaged or organized to engage in either or both of the following activities (1) the ownership and management of other subsidiaries, and (2) the raising of capital (debt or equity) that could be loaned to, or invested in, other subsidiaries or loaned to the parent corporation, provided that any such subsidiary may in addition engage in the ownership and management of assets authorized as investments for the parent corporation.

(d) "Investment subsidiary" means a subsidiary (other than a separate account subsidiary) engaged or organized to engage exclusively in the ownership and management of assets (other than equity securities of subsidiaries) authorized as investments for the parent corporation and of other investment subsidiaries.

(e) "Separate account subsidiary" means a subsidiary acquired or held under section four thousand two hundred forty of this chapter.

(f) "Enterprise risk" means any activity, circumstance, event, or series of events involving one or more subsidiaries of a parent corporation that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the parent corporation, including anything that would cause the parent corporation's risk-based capital to fall into company action level as set forth in section one thousand three hundred twenty-two of this chapter, or that would cause further transaction of business to be hazardous to the insurer's policyholders or creditors or the public.

(g) "Group capital calculation instructions" means the group capital

calculation instructions as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC, except where such instructions conflict with the laws of this state and subject to exceptions the superintendent may take in a regulation upon a written finding that the exceptions would not be unduly burdensome on the parent corporation or subsidiary.

(h) "NAIC" means the National Association of Insurance Commissioners.

(i) "NAIC liquidity stress test framework" means an NAIC publication that includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, such scope criteria, instructions and reporting template being as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC, except where such instructions conflict with the laws of this state and subject to exceptions the superintendent may take in a regulation upon a written finding that the exceptions would not be unduly burdensome on the parent corporation or subsidiary.

(j) "Scope criteria" means the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for that data year.