

International Report



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INTERNATIONAL COMMITTEE RECOMMENDS GUIDING PRINCIPLES & ACTION PLANS

In February, the International Insurance Relations (G) Committee completed work on Guiding Principles and Action Plans for the NAIC's international activities. This strategic plan sets forth the G Committee's recommendations on policy guidance for NAIC's involvement internationally. The document addresses international standard setting, technical assistance, expert advice to other U.S. financial agencies and trade officials, and the involvement of U.S. insurance regulators in promoting international financial stability and opening safe, stable markets around the world.

For the protection of consumers and for the benefit of U.S. insurance market participants, NAIC members actively seek to enhance the regulation of insurance worldwide, and to help establish and maintain open, transparent, competitive, and well-regulated markets. As a result, members draw on established U.S. regulatory expertise and experience as a basis for discussions and negotiation of best global regulatory practices.

While acknowledging the benefits of eventually achieving international convergence in critical supervisory practices, the "Guiding Principles" also state that the NAIC should "actively promote the adoption of U.S. insurance regulatory principles worldwide" while "regularly measuring compliance with international standards." To ensure that U.S. policymakers directly benefit from the NAIC's international involvement; the NAIC should also "coordinate international policies and positions with domestic initiatives and regulatory practices."

In addition to the G Committee, which manages the strategy and coordinates the NAIC's international activities, several other NAIC groups actively engage in discussions of international issues, including several groups to which the G Committee has referred priority standard-setting projects – primarily from the International Association of Insurance Supervisors (IAIS). These include work on corporate governance, reinsurance, anti-fraud, captives, financial conglomerates and group supervision, and microinsurance.

The International Solvency & Accounting (E) Working Group specifically focuses on the IAIS's development of an international framework for solvency oversight, the EU's "Solvency II" initiative, and the NAIC's input to the International Accounting Standards Board (IASB) "insurance contracts" project.

The G Committee will regularly review the Guiding Principles & Action Plans are "living documents" to ensure that they are consistent with the broader NAIC strategic objectives, and to maximize the effectiveness and influence of the NAIC's contributions to improving regulation, helping markets grow, and expanding opportunities for consumers and for U.S. business interests abroad.

Inside:

- NAIC International Intern Program – Spring 2008
- US-Japan Dialogues
- US-China Bilateral Talks
- NAFTA Trilateral Meeting
- Holocaust Legislation
- IAIS Report
- International Calendar

NAIC WELCOMES SPRING INTERNATIONAL INTERNS

Saudi Arabia, Thailand, Serbia Are First Time Participants

Next month, the NAIC will welcome 9 interns to its International Intern Program, including regulators from Serbia, Thailand Egypt and Saudi Arabia. The NAIC developed the program in 2004 to advance working relationships with foreign market regulators, emphasizing the exchange of regulatory techniques and technology. Since the program's beginning, 39 interns from 13 countries have fully completed the training. To date, 16 U.S. jurisdictions have hosted international regulators as part of the NAIC's intern program: Arkansas, California, District of Columbia, Georgia, Hawaii, Illinois, Kentucky, Massachusetts, Montana, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Ohio and Texas.

The seven-week program - which is conducted twice a year - includes a week in Kansas City for orientation and five weeks in a host state for more specialized training. Host states for the spring 2008 program will include California, New York, Colorado, Washington, Nebraska and Alabama. Washington, Nebraska and Colorado are first time hosts. The program concludes with attendance at the NAIC Summer National Meeting in San Francisco, followed by an industry-regulator dialogue and a closing ceremony in Washington, D.C., June 4 - 6. Dates for the spring 2008 and tentative dates for the fall 2008 program are:

Timeline for Spring 2008 program	Timeline for Fall 2008 program
NAIC Headquarters, Kansas City, Missouri Training: Dates: April 21 – 25 Interns arrive on Saturday, April 19 and depart for Host State on Saturday, April 26	NAIC Headquarters, Kansas City, Missouri Training: Dates: October 27– 31 Interns arrive on Saturday, October 25 and depart for Host State on Saturday, November 1
Host State—State Insurance Department Week 1: April 28 – May 2 Week 2: May 5 – May 9 Week 3: May 12 – May 16 Week 4: May 19 – May 23 Week 5: May 26 – May 30	Host State—State Insurance Department Week 1: November 3 –7 Week 2: November 10 –14 Week 3: November 17 – 21 Week 4: November 24 –28 Week 5: December 1 – 5
NAIC National Meeting - San Francisco, CA Dates: May 31 – June 3	NAIC National Meeting - Grapevine, TX Dates: December 6 – 9
Closing Activities -Washington, DC Dates: June 4 – 6 Interns depart DC on Saturday, June 7	Closing Activities - Washington, DC Dates: December 10 – 12 Interns depart DC on Saturday, December 13
<i>*Schedule subject to change</i>	<i>*Schedule subject to change</i>

***If your state is interested in hosting an International Intern,
please contact Lauren Scott (lscott@naic.org).***

US-JAPAN INSURANCE REGULATORY DIALOGUE

Director Christina Urias Participates in Meetings in Tokyo

Director Christina Urias (AZ) represented the NAIC in the US-Japan Insurance Dialogue in Tokyo, Japan on December 12, 2007. The meeting takes place once a year to discuss insurance-related issues between Japan and the US. While Director Urias

was in Tokyo, she had the opportunity to attend a meeting with industry representatives from the American Chamber of Commerce in Japan (ACCJ) for a briefing on issues of significance to US insurance interests in Japan.

During the bilateral meeting led by the Office of the US Trade Representative (USTR), the Japanese requested updates on the efforts being made toward the harmonization and unification of the state-based regulatory system and suggested the transition to a federal regulatory system, the elimination of the reinsurance collateral requirement and the abolishment of the trusteed surplus requirement applicable in some states. US regulators asked for

the status on bank sales of insurance, Policyholder Protection Corporation (PPC), Kyosai, and Japan Post (“Kampo”) reforms. The next US-Japan Insurance Dialogue will take place in December 2008. In between the formal dialogue led by USTR, the NAIC maintains regular contact with Japanese officials to ensure an open and fluid dialogue continues.

NAIC PARTICIPATES IN US-JAPAN FINANCIAL SERVICES WORKING GROUP (FSWG)

Commissioner Thomas Hampton Highlights State-Based Initiatives

On March 18, 2008, Washington, DC Insurance Commissioner Thomas Hampton participated in the US-Japan Financial Services Working Group meeting. The US side was led by the US Treasury Department and included the Office of the Comptroller of the Currency (OCC), the Federal Reserve Bank, Federal Deposit Insurance Corporation (FDIC), Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), and the NAIC. The Japanese representatives were from the Ministry of Finance, Financial Services Agency (FSA) and the US Embassy of Japan. Agenda items included macroeconomic and fiscal developments, global financial market turmoil, financial market competitiveness, banking system health, and international financial regulatory issues.

The Japanese regulators were particularly interested in the President’s Working Group Report on Financial Markets released in March 2008. The report identified major factors causing market turmoil in the US as a breakdown in mortgage underwriting standards; eroded securitization market discipline; flawed credit rating agency treatment of subprime mortgage securities and complex structured products; weak risk management at some financial institutions; and regulatory policies and supervisory practices that did not address risk management weaknesses.

Assistant Treasury Secretary for Financial Markets, Tony Ryan, provided a list of recommendations to

manage the recent market developments, including reforming the US mortgage origination process; improving investors’ contributions to market discipline; reforming credit rating agency processes and practices for structured credit and securitized products; strengthen global financial institutions’ risk management practices; and enhancing regulatory and supervisory practices. Assistant Secretary Ryan noted the importance of ensuring that US Federal Regulators cooperate effectively not only with each other, but with state authorities as well.

During the discussion of Financial Market Competitiveness, US Treasury representatives provided an update on the draft *US Competitiveness Initiative*. Although the Treasury Department did not provide recommendations prior to the release of the report, the Japanese questioned the state of insurance regulation and the possibility of an Optional Federal Charter. Commissioner Hampton commented on the current bills in Congress on insurance, while highlighting the progress of state-based initiatives. The commissioner discussed the Interstate Insurance Compact and the movement towards a principles-based system for life reserving. Commissioner Hampton also responded to questions about the recent market developments with respect to monoline insurers.

The next US-Japan Financial Services Working Group meeting will take place in Tokyo, Japan.

JAPANESE RESEARCH INSTITUTE VISITS DC OFFICE

Seeks Information on How the US Health Insurance Sector is Regulated

The NAIC received a delegation from the Aioi Research Institute Co., Ltd., a Japanese research institute, established in October 2005. Its aim is to examine and research regarding the core insurance businesses. The research institute is currently working on a project to study the health systems around the world. With the increasing costs of a national health care system in Japan, the Aioi Research Institute is studying the US health insurance system. The institute is a research organization that studies insurance systems globally and advises academia and industry in Japan of their findings, some of which will hopefully shape the future of Japan's health insurance.

The purpose of their visit to the US was to learn about the US health insurance system broadly through setting up meetings in Washington, DC. The NAIC's Manager of Health Policy and Legislation, Brian Webb, provided an overview of how health insurance is regulated in the US. During their stay in DC, the delegation from Aioi Research Institute also met with the Utilization Review Accreditation Commission (URAC), which provides accreditation and certification programs for health care quality and with America's Health Insurance Plans, (AHIP) to gain a greater understanding of the various entities involved in US health insurance. The institute hoped to establish a relationship with the NAIC and learn how the NAIC coordinates with state and federal authorities.

NAIC PRESIDENT SANDY PRAEGER INVITED TO CHINA FOR BILATERAL MEETINGS

*NAIC to participate in NAIC-CIRC Bilateral, US-China FSWG
And US-China Insurance Regulatory Dialogue*

NAIC President Sandy Praeger, NAIC Vice President Jane Cline, Chair of the NAIC's International Committee, Walter Bell and Vice Chair, Asia, John Morrison will travel to Shanghai and Beijing from April 7 – 15. Since the NAIC signed an MOU on regulatory cooperation with China Insurance Regulatory Commission (CIRC) in 2002, the relationship between the two authorities has grown significantly. In December 2003, CIRC and the NAIC agreed to work on development of an intern program for CIRC and it was extended for 2 additional years in 2006. The program has expanded to include regulators from around the world. Through the NAIC's International Intern Program, 20 officials from CIRC have participated in the program.

The NAIC-CIRC Joint Insurance Working Group (JIWG) completed its first project on the role of commercial health insurance in China's health care system last year. During the bilateral discussions with CIRC, options for a new topic for the JIWG working group will be presented. In addition to regulator to regulator dialogues with CIRC in Shanghai and Beijing, the NAIC delegation will meet with officials at the US Embassy and the US Chamber of Commerce. The NAIC will continue to play an active role with China by participating in Treasury led US-China Financial Services Working Group (FSWG) meeting on April 8 in Washington, DC and the US-China Insurance Dialogue scheduled for May 15-16.

CIRC-NAIC JOINT SEMINAR ON HEALTH INSURANCE PRODUCES RECOMMENDATIONS FOR CIRC

First NAIC-CIRC Joint Insurance Working Group Project Concludes

In October 2006, CIRC and the NAIC signed an MOU to activate the NAIC-CIRC Joint Insurance Working Group (JIWG). The first JIWG project was on the role of commercial insurers in China's health insurance market. To explore this concept, the NAIC-CIRC and industry representatives held a joint seminar on health insurance in Yichang, Hubei Province, China, from June 18-19, 2007. Following the seminar, the NAIC agreed to provide a

written report summarizing the joint seminar on health insurance and recommendations for CIRC, based on the current understanding of what the Chinese market and regulatory framework suggests are prudent steps for developing the role of commercial insurance in China's healthcare system. Recommendations noted in the paper by Commissioner John Morrison (Montana) and Karen Eggleston, Shornstein Asia-Pacific Research Center, Stanford University include the following:

Develop Premium Assistance/Tax Subsidies/Purchasing Pools	Clarify Regulatory Authority
Use Third Party Administration	Improve Quality of Care
Encourage Supplemental Benefits	Promote Wellness
Consider High Risk Health Insurance Pools	Tax Tobacco
Reduce Marketing Costs	Control Health Care Costs
Fight Fraud	Blend Public and Private Sectors

OECD INSURANCE COMMITTEE REVIEWS WORK PROGRAM

Priorities Confirmed for 2009-2010

The Insurance and Private Pensions Committee of the Organization for Economic Cooperation and Development (OECD) met to finalize discussions of the Work Programme in an ad hoc session held March 3-4 in Paris. The Committee discussed major priorities for 2009-2010, as part of its response to 2007's "in-depth evaluation" of the committee, which called for more precise project proposals, improvements in committee working methods, a more limited number of outputs, and increased involvement by members (national delegates and private sector participants) in the work of the committee.

For 2009-2010, the Committee currently plans to continue its work on insurance issues related to large-scale catastrophes, prepare a report on the use of annuities in financial markets, and complete two reports on private pension systems, including on the pay-out phase. In collaboration with the Committee on Financial Markets, the Insurance Committee will contribute to work on enhancing regulatory effectiveness and efficiency, and financial education.

The current work plan for the Committee includes updating previous work on applying the OECD Principles of Corporate Governance to the insurance sector, "Guidelines for Insurers' Governance" (2005). This project will be coordinated with the IAIS, which recently established the new Governance and Compliance Subcommittee. That group is carrying on IAIS work in this area on the basis of recommendations on corporate governance issued by the former Corporate Governance Task Force. The OECD and IAIS share the objective of avoiding the development of recommendations on corporate governance that are duplicative of or in conflict with generally applicable rules, or which apply an unnecessary extra layer of regulatory burden on the industry. The work will include a survey of industry governance practices, with the assistance of the World Bank.

NAFTA TRILATERAL INSURANCE WORKING GROUP MEETS

Director Christina Urias Chairs the Meeting

The NAFTA Trilateral Insurance Working Group (TIWG) met in Mexico City on March 14 in an annual meeting of government and industry representatives from Canada, Mexico and the United States. Director Christina Urias (AZ) chaired the meeting, which was hosted by Mexico's Comisión Nacional de Seguros y Fianzas (Insurance and Surety National Commission). Other government agencies in attendance included Mexico's Ministry of Finance and department of transportation; Canada's Department of Finance; and the U.S. Federal Motor Carriers Safety Administration (FMCSA).

Much of the discussion of cross-border insurance issues focused on the Border Demonstration Project that the U.S. Department of Transportation has sponsored to address the issues related to trucks entering the U.S. from Mexico. According to the FMCSA representative, the program is progressing well, including an extensive monitoring system that includes pre-authorization safety audits to qualify motor carriers to participate in the program. The program has revealed that insurance coverage for this commerce is available in the private market, and that the result from a safety and insurance perspective is favorable. With regard to cross-border commercial traffic from Mexico, the TIWG also agreed to focus on issues related commercial passenger vehicles entering the U.S. in future meetings.

Additional discussions addressed the availability of driver and vehicle safety information for U.S. insurers who may be interested in underwriting the business coming into the U.S. Representatives from Mexico's Secretary for Communication and Transport advised that they would make much of this information via inquiries submitted to their website. With regard to the establishment of truly seamless insurance coverage for cross-border trucking, the TIWG will explore how "mutual recognition" concepts can contribute to alleviating current differences in regulation and legal systems.

HOLOCAUST BILL ON CAPITOL HILL QUESTIONS EFFORTS OF ICHEIC

Former NAIC President Diane Koken Testifies

The NAIC has been actively monitoring federal legislation - HR 1746, the Holocaust Insurance Accountability Act of 2007 - which would establish a public collection of records known as the Holocaust Insurance Registry. The registry would require insurers to file information on Holocaust-Era policies and subject noncompliant insurers to a civil penalty, in addition to creating a federal cause of action.

The International Commission on Holocaust-Era Insurance Claims (ICHEIC) was established in August 1998 by the NAIC in conjunction with several European insurance companies, European governments, representatives of several Jewish and Holocaust survivor organizations, and the State of Israel, to ensure payment of valid insurance claims. The NAIC led the states' interaction with the ICHEIC through the NAIC's International Holocaust Commission Task Force, assisting claimants and their heirs with the process.

At a hearing on the bill on February 7, former NAIC President Diane Koken testified in front of the House on Financial Services Committee to discuss the activities of ICHEIC and HR 1746. She reconfirmed that the goal of ICHEIC was to bring closure to the issue of outstanding Holocaust-era insurance policies, noting that ICHEIC applied relaxed standards of proof on submitted claims to account for the passage of time and the difficulty in locating documents. In her testimony, she discussed how ICHEIC developed a process to identify claimants, assisted in locating evidence of their unpaid insurance policies, and resolved claims at no cost to claimants. ICHEIC created an unprecedented opportunity, previously unavailable, for claimants to have their claims matched against information compiled from insurance companies, insurance associations, and public archives.

ICHEIC conducted an extensive worldwide outreach campaign to encourage claimants to file, and approximately 75 European insurance companies and partner entities participated in the process. ICHEIC utilized a call center and grassroots efforts through global Jewish communal and survivor organizations and representatives of other victim groups (e.g., the Jehovah's Witnesses and the Roma and Sinti communities in Central Europe) to identify potential claimants. It also launched a global press and media campaign to publicize the process.

As a result of ICHEIC's efforts, a total of \$306 million was offered to more than 48,000 Holocaust survivors, their heirs, or the heirs of victims that did not survive. More than half of that amount was awarded to individuals who were unable to identify a policy or name a company that was the source of their claim through ICHEIC's archival research, successful matching of claimants to policy information, and the Commission's humanitarian claims process. Furthermore, an additional nearly \$200 million was committed for humanitarian programs that benefit Holocaust survivors worldwide. No portion of the funds went to legal fees.

ICHEIC ceased accepting new claim forms/applications on March 31, 2004. As of December 2006, all timely filed claims received a final decision through the ICHEIC process. At that time, every company that was a member of the Commission as well as the approximately 70 companies of the German Insurance Association through its partnership agreement with ICHEIC reaffirmed their commitment, to continue to review and process claims sent directly to them in accordance to the guidelines set forth in the ICHEIC process.

Since 1997, the Holocaust Claims Processing Office of the New York State Banking Department has provided institutional assistance to individuals seeking to recover Holocaust-era property, including assets deposited in European banks, lost or looted art and monies never paid in connection with insurance policies issued by European insurers. The HCPO has worked closely with ICHEIC since its inception, providing extensive technical assistance for claimants from 45 states, and has advocated on their behalf to companies in 35 countries. The HCPO has continued to aid the small number of remaining claimants and is in the unique position to do so, due to its knowledge and expertise. The NAIC will continue to monitor HR 1746 and other bills that may arise to ensure that the extraordinary efforts of ICHEIC are not dismissed.

IN BRIEF

CHAIR OF INTERNATIONAL COMMITTEE, WALTER BELL, CONTRIBUTES TO HIGH LEVEL ROUNDTABLE

Insurance Commissioner Moderates Panel in China

On January 15, Commissioner Walter Bell (AL) moderated a panel on the *Development of expertise in insurance business and supervision* during the “High Level Roundtable” in Beijing, China. The IAIS and CIRC were the main sponsors of the program. The goal of the seminar was for insurance supervisors and industry to share their views on the future development of Asian insurance markets and present steps for market development to the attendees. Its aim was to strengthen the regulatory and supervisory framework as well as developing the market infrastructure. To achieve sound development of insurance markets, both regulators and industry must remove the existing obstacles and initiate activities to enhance institutional capacities. As a result, it is critical to execute the necessary pre-conditions for the successful implementation of internationally harmonized supervisory standards.

Commissioner Bell’s panel included Nobuyoshi Chihara from Japan FSA, Patrick O’Sullivan, Chief Growth Officer, Zurich Financial Services and Jerry de St. Paer, Executive Chairman, GNAIE. A key challenge in Asia’s emerging markets lies in the development of expertise in risk management. The panelists helped to clarify regional specific issues and highlight the challenges to further developing expertise in Asia. Discussion items included key elements for growth in the non-life insurance market in China, how to optimize the mixture of rules based vs. risk based supervision and coordination of global risk management activities.

LONDON METROPOLITAN UNIVERSITY

STUDENTS STUDY U.S. SYSTEM

Students Return for the Second Year

The DC Office of Insurance, Securities and Banking Regulation hosted students from the London Metropolitan University's Financial Regulation and Compliance Management, Washington Study Tour. Commissioner Thomas Hampton provided an overview of US insurance regulation and how the DC Insurance Department functions. The students, like their counterparts the previous years, were interested in state-based regulation and asked why there was not a federal consolidated supervisor as in many other parts of the world. NAIC Government Relations Counsel and Senior Advisor, Tom Montgomery, provided an update on federal legislation aimed at questioning the role of state-based regulation and highlighted the importance of consumer protection in insurance. The students were grateful for the opportunity to learn about state insurance regulation and thanked the DC Department and the NAIC for coordinating the meeting.

IAIS Committees and Subcommittees: UPDATE

Established in 1994, the IAIS represents insurance regulators and supervisors of some 180 jurisdictions in more than 130 countries, constituting 97% of the world's insurance premiums. With the growth and importance of insurance and standard setting, the IAIS now has more than 100 observers from the private sector, academia, and international organizations.

The IAIS Committee meetings were held in Basel, Switzerland, March 3-7, 2008. NAIC participants included Commissioner Walter Bell (AL), Ray Spudeck (FL) and NAIC staff. The next IAIS Committee meetings will be held in Seoul, Korea, June 17-20 and the IAIS Annual Conference will be held in Budapest, Hungary, October 12-17, 2008.

Executive Committee

- Discussed the current financial turmoil and developed a strategy for responding to the request from the Financial Stability Forum for information on the impact on the insurance sector.
- Reviewed and re-confirmed the approach to providing input to the IASB on the issue of valuation of insurer assets and liabilities.
- Developed a proposal for restructuring membership on the Committee.
- Received a report on the industry initiative "Promoting Sound Insurance Markets from an Economic Perspective."

Budget Committee

- Discussed favorable results on the 2007, and reviewed the IAIS investment strategy.
- Heard presentations from Hungary on the 2008 Annual Conference budget, and from Brazil on their 2009 Annual Conference proposal.

Implementation Committee

- Received updates from the regional coordinators, Insurance Laws Database Subcommittee on the Internet tool for ICP Self-assessment and common IT platform for standard implementation activities, including incorporation of MMOU
- Received presentations from the NAIC and FSI Connect on the IAIS Education Project and agreed to establish a Task Force would be created to review the proposal for the IAIS Education Project

Implementation Activities Approval Subcommittee

- Discussed upcoming regional seminars, IAIS Discover Project, Global Seminar in Seoul, development of teaching notes
- Received co-financing project for developing Russian translation of Core Curriculum material

Task Force on Information Gathering and Analysis

- Discussed future work program, including the *Draft proposal for the content of the Guidance paper*
- Received a presentation from the Association for Cooperative Operations Research and Development (ACORD)

Regional Coordination Subcommittee

- Reported on regional seminars, upcoming events, budget for 2007 was \$79,487.02
- Approved summary of training needs, revised Guidance for Organization of IAIS Revision of Guidance for the Organization of IAIS Regional Seminars

Technical Committee

- Held a hearing with Observer members from the private sector on issues related to group supervision.
- Discussed the recent financial turmoil and identified numerous on-going work streams to address issues raised in discussions of the causes of the turmoil.
- Agreed to recommend the development of an IAIS comprehensive procedures manual.
- Heard a report on the experience of Guernsey in relation to Northern Rock's financial difficulties.

IAIS-CGAP Joint Working Group on Microinsurance

- IAIS members approved draft mandate of Subgroup on Microinsurance
- Received a presentation by ACLI on their Principles on Microinsurance
- Discussed coordination with Governance and Compliance Subcommittee (GC) as IAIS Subgroup on Microinsurance will report its work on regulatory standards thru this GC Subcommittee
- Reviewed Funding proposal for A Global Initiative for Enabling Regulatory and Supervisory Frameworks for Microinsurance
- Discussed organization of FSI Conference on Integrating Microinsurance into Financial System
- Next meeting to be held on May 12-13 in Hyderabad

Insurance Core Principle (ICP) Task Force Review

- Newly appointed chair: Kwok Mun Low (Singapore) led the meeting/Commissioner Mike Geeslin (TX) is the NAIC representative
- Reviewed terms of reference, proposed work program and individual ICPs
- Each task Force member assigned to drafting group: US will review ICPS 18-23/prudential requirements

Insurance Contracts Subcommittee

- Met March 27 in Bonn, Germany
- Discussed papers: *Reducing Complexity in Reporting Financial instruments* and *Financial Instruments with Characteristics of Equity*
- Society of Actuaries' Research Project on: *Financial Reporting for Insurance Contracts under Possible Future International Accounting Standards*
- The re-exposure of the "Measurement of Liabilities of Insurance Contracts: Current Estimates and Risk Margins" was discussed

Governance and Compliance Subcommittee

- New Chair: Nobuyoshi Chihara and currently searching for Vice Chair applicants
- The Subcommittee will also provide oversight and support to the working group on Microinsurance and coordinate with the CGAP Working Group on Microinsurance
- Formation of a draft group to prepare a survey of industry and regulators on corporate governance issues
- Decided to use Recommendations from Corporate Governance Task Force as starting point for Survey

- Work will be coordinated with OECD and OECD will plan industry roundtable on corporate governance at December meeting

Financial Conglomerates Subcommittee

- Finalized discussion of remaining issues on the Principles of Group-wide Supervision.
- Work will begin on an issues paper on the role of a lead (group) supervisor.

Insurance Fraud Subcommittee

- Diane Colton (Guernsey) appointed as new chair of subcommittee
- IAIFA Questionnaire distributed
- Subcommittee to meet on April 21 in London, UK

Insurance Laws, Regulations, Practices & Standards Subcommittee

- Encouraged more members to contribute
- 2008 report would cover 2 new chapters in risk management and group-wider supervision
- Highlight “Break the Barrier Project” which encourages members to update at least 1 chapter
- Requested regional coordinators help strengthen ILD

Pension Coordination Group

- Discussed coordination with OECD Working Party of Private Pensions and International Organization of Pension Supervisors (IOPS).

Reinsurance and Other Forms of Risk Transfer Subcommittee

- The paper on the “Evaluation of the Reinsurance Cover of Primary Insurers and the Security of their Reinsurers” will be revised by the IAIS Annual Conference in 2008.
- Guidance Paper on Finite Reinsurance will be updated by the IAIS Annual Conference in 2008.

Reinsurance Mutual Recognition Subgroup

- Finalized work on the Discussion Paper on Reinsurance Mutual Recognition.
- Plan to finalize Guidance Paper on Mutual Recognition at the AGM in 2008.

Reinsurance Transparency Group

- 2007 Global Reinsurance Market Report was completed in November 2007.
- Agreed on timetable and work plan for 2008 Global Reinsurance Market Report.

Solvency and Actuarial Issues Subcommittee

- Drafted the solvency chapters of the Group Issues paper. The Group Issues paper is being co-written with the Financial Conglomerates Subcommittee.
- Solvency standards and updated guidance papers on the structure of capital, enterprise risk management, and internal models are expected to be adopted this year at the Technical Committee. Work continues on the standards and guidance for capital resources and asset/liability valuation.
- An overarching solvency paper that can be thought of as the introductory chapter to a book containing all of the solvency standards and guidance papers is being written.
- The Subcommittee will continue collaborating with the International Actuarial Association on the development of application guidance for the future solvency standards.
- Once the solvency standards are written, the Structure Paper is expected to be deleted.

NAIC International Calendar

(**Bold** denotes active NAIC participation)

2008			
Date	Meeting	Venue	Organizer
January 14-15	IAIS Pilot on web-based training for insurance supervisors/High level discussion	Beijing, China	IAIS, CIRC
January 14-16	Regional Seminar on Implementation of IAIS Standards	Tunis, Tunisia	IAIS, ACAM
January 15	IAIS: High level panel discussions strengthening supervision in emerging markets	Beijing, China	IAIS, CIRC
January 28-29	IAIS Executive Committee Retreat	Brussels, Belgium	CBFA/IAIS
January 29-31	IAIS Solvency and Actuarial Issues Subcommittee	Kuala Lumpur, Malaysia	IAIS
January 29-31	IAIS Reinsurance Subcommittee & the Mutual Recognition Subgroup	Bonn, Germany	IAIS
February [tbd]	IAIS Reinsurance Captives Drafting Group	Hamilton, Bermuda	IAIS
February 1	IAIS Solvency and Actuarial Issues Subcommittee – Information Day	Kuala Lumpur, Malaysia	IAIS
February 19-21	IASB Board	London, England	IASB
February 21-22	Joint Forum	Madrid, Spain	IOSCO
February 24-25	Takaful Workshop	Manama, Kingdom of Bahrain	Central Bank of Bahrain
January 14-15	IAIS Pilot on web-based training for insurance supervisors/High level discussion	Beijing, China	IAIS, CIRC
January 14-16	Regional Seminar on Implementation of IAIS Standards	Tunis, Tunisia	IAIS, ACAM
March 4	Swiss-NAIC Insurance Regulatory Dialogue	Basel, Switzerland	IAIS
March 5-7	IAIS Triannual Meetings	Basel, Switzerland	NAIC
March 5-7	IAIS MMoU Workshop (ASSAL-MERCOSUR)	Buenos Aires, Argentina	IAIS
March 14	NAFTA: Trilateral Insurance Working Group	Mexico City, Mexico	NAFTA
March 10-15	ASSAL	Buenos Aires, Argentina	ASSAL
March 12-13	Regional Workshop on Corporate Governance of Insurance Companies	Tirana, Albania	PFS/AFSA
March 18	US-Japan Financial Services Working Group	Washington, DC	Treasury
March 26-28	CEIOPS Members' Meeting	Frankfurt, Germany	CEIOPS
March 27	IAIS Insurance Contracts Subcommittee	Bonn, Germany	IAIS
March 28	IAIS Accounting Subcommittee	Bonn, Germany	IAIS
March 28-30	IAIS Reinsurance Subcommittee: Mutual Recognition; Finite Reinsurance and Reinsurance Cover drafting groups	Orlando, FL	IAIS, NAIC
March 29-31	NAIC Spring National Meeting	Orlando, FL	NAIC
March 31-April 3	AITRI Regional Workshop for Insurance Supervisors in Emerging Markets in Asia	Phnom Penh, Cambodia	IAIS

March 31-April 4	FSI Seminar on Advanced Risk Management Practices in the Insurance Industry	Hergiswil, Switzerland	FSI
April 1-4	Regional Workshop for Insurance Supervisors in Emerging Markets in Asia	Kuala Lumpur, Malaysia	AITRI
April 2	CEIOPS hearing: Solvency 2 and Group Supervision	Frankfurt, Germany	CEIOPS
April 2-4	4 th Contractual Savings Conference: Supervisory and Regulatory Issues in Private Pensions & Life Insurance	Washington, DC	World Bank, IFC, IOPS
April 3-4	Geneva Association: "Towards a Global Architecture for Insurance Regulations and Supervision"	Geneva, Switzerland	Geneva Association
April 8	US-China JEC/FSWG	Washington, DC	U.S. Treasury
April 9-11	IAIS Solvency and Actuarial Issues Subcommittee	Hamilton, Bermuda	IAIS
April 14-15	IAIS Governance and Compliance Subcommittee	Paris, France	IAIS
April 21-22	IAIS Insurance Fraud Subcommittee	London, UK	IAIS
April 21-23	IAIS Reinsurance Transparency Subgroup	Hamilton, Bermuda	IAIS
April 24-25	IAIS Financial Conglomerates Subcommittee	Paris, France	IAIS
May 7-8	OECD/US Treasury International Conference on Financial Education	Washington, DC	OECD/UST
May 12	EU: Financial Markets Regulatory Dialogue [tent.]	Brussels, Belgium	U.S. Treasury
May 12-13	IAIS-CGAP Joint Working Group on Microinsurance	Hyderabad, India	IAIS
May 12-16	India FSWG	Washington, DC	U.S. Treasury
May 14-16	US-China Insurance Regulatory Dialogue	Shanghai, China	USTR
May 19-23	ASSAL Annual Conference/Training Seminar	Madrid, Spain	ASSAL
May 20-22	FSI Seminar on Reinsurance and Other Risk Transfers	Basel, Switzerland	FSI
May 22-24	CEIOPS Members' Meeting	Rome, Italy	CEIOPS
May 25-31	Toronto Centre Leadership Program	Toronto, Canada	Toronto Centre
May 27-30	Regional Seminar on Risk-based Solvency & Dealing with Troubled Companies	Belgrade, Serbia	National Bank of Serbia, IAIS, FSI
May 28-30	IAIS Solvency & Actuarial Issues Subcommittee	San Francisco, CA	IAIS
May 29-31	IAIS Reinsurance Subcommittee: Mutual Recognition, Finite Reinsurance and Reinsurance cover drafting groups	San Francisco, CA	IAIS/NAIC
May 31-June 2	NAIC Summer National Meeting	San Francisco, CA	NAIC
June 11-13	International Actuarial Association	Québec City, Canada	IAA
June 12-14	CEIOPS Members' Meeting	Bucharest, Romania	CEIOPS
June 16-18	IAIS Triannual Meetings	Seoul, Korea	IAIS
June 18-20	IAIS Global Seminar	Seoul, Korea	IAIS, FSS Korea
June 19-20	Joint Forum	Washington, DC	OCC
June 25-27	OECD Insurance Committee	Paris, France	OECD
June 26-27	IAIS Insurance Contracts Subcommittee	Rome, Italy	IAIS, ISVAP
July [tbd]	IAIS Mutual Recognition and Finite Reinsurance Drafting Group	New York/New Jersey	IAIS
July [tbd]	IAIS Reinsurance Transparency Group	New York/New Jersey	IAIS
July [tbd]	IAIS Insurance Fraud Subcommittee	Europe [tbd]	

July 10-13	NCOIL 2008 Summer Meeting	New York	NCOIL
July 21-22	IAIS Task Force for Review of ICPs	Paris or London	IAIS
July 21-25	FSI 4 th International Insurance Supervision Seminar	Beatenberg, Switzerland	FSI
August 25-29	NAIC-Brazil Training on InsureU	Rio de Janeiro, Brazil	SUSEP
September [tbd]	NAIC-Thailand Training Program	Bangkok, Thailand	NAIC
September	IAIS Insurance Laws, Regulations, Practices & Standards Subcommittee	Vienna, Austria	IAIS
September, first week	IAIS Reinsurance Subcommittee: Mutual Recognition, Finite Reinsurance and Reinsurance cover drafting groups	Tokyo, Japan	IAIS/FSA Japan
September (4 days)	IAIS Managing Risk in Captive Insurance Companies	Cayman Islands	IAIS, OGIS, Cayman Monetary Authority
September 9-11	IAIS Solvency and Actuarial Issues Subcommittee	Guernsey	IAIS
September 16-18	IAIS Conference on Integrating Microinsurance into the Financial System – Regulatory and Supervisor Issues	Basel, Switzerland	IAIS, CGAP, FSI
September 20-22	NAIC Fall National Meeting	Washington, DC	NAIC
September 30-October 2	FSI Seminar on Evolving Risk-based Solvency Frameworks and Valuation Methods for the Insurance Industry	Basel, Switzerland	FSI
October 12-17	IAIS Triannual Meetings/Annual Conference	Budapest, Hungary	HFSA/IAIS
October 18	IAIS Executive Retreat	Budapest, Hungary	IAIS
October 23-25	CEIOPS Members' Meeting	Frankfurt, Germany	CEIOPS
October 29-31	IAIS – The New Solvency Requirements	Bucharest, Romania	Romanian Ins. Supervisory Commission
November [tbd]	IAIS Insurance Fraud Subcommittee [tent.]	Europe [tbd]	[tbd]
November [tbd]	IAIS Reinsurance SC: Mutual Recognition, Finite Reinsurance and Reinsurance cover drafting groups	Asia/Pacific	IAIS
November 3-6	Regional Seminar on Effective Insurance Supervision	Accra, Ghana	National Insurance Commission, Ghana
November 3-8	IAIS-CGAP Joint Working Group on Microinsurance	Cartagena, Columbia	IAIS
November 6-7	Joint Forum	Sydney, Australia	ASIC & APRA
November 11-13	IAIS Solvency and Actuarial Issues Subcommittee	Bonn or Berlin	IAIS
November 11-14	IAIS-ASSAL Training Seminar	San Salvador, El Salvador	IAIS, ASSAL, FIDES
November 17-19	IAIS 7 th MENA Regional Seminar on Licensing, Ownership and Business Transfers, and Group-wide Supervision	Amman, Jordan	Insurance Commission, Jordan, IAIS FSI, AFIRC
November 17-19	IAIS Regional Seminar on Enterprise Risk Mgmt (ERM) under IAIS ICPs	Taipei, Chinese Taipei	Financial Supervisory Commission, Taipei, IAIS, FSI
November 19-20	CEIOPS Members' Meeting	Frankfurt, Germany	CEIOPS
November 20-23	NCOIL 2008 Annual Meeting	Hawk's Cay Resort, Duck Key, Florida	NCOIL
December	IAIS Contract Certainty Drafting Group	London, UK (tent.)	IAIS

December	IAIS Securitization Drafting Group	Hamilton, Bermuda (tent.)	IAIS
December 6-8	NAIC Winter National Meeting	Grapevine, TX	NAIC
2009			
January 25-29	IAIS Executive Committee Retreat	Brussels, Belgium	IAIS
February 17-20	IAIS Triannual Meetings	Basel, Switzerland	IAIS
March 14-17	NAIC Spring National Meeting	San Diego, CA	NAIC
June 13-16	NAIC Summer National Meeting	Minneapolis, MN	NAIC
June 16-19	IAIS Triannual Meetings	Beirut, Lebanon	IAIS
September 20-23	NAIC Fall National Meeting	Washington, DC	NAIC
October 18-23	IAIS Triannual Meetings/Annual Conference	Rio de Janeiro, Brazil	SUSEP/IAIS
December 5-8	NAIC Winter National Meeting	Honolulu, HI	NAIC
2010			
February 9-12	IAIS Triannual Meetings	Basel, Switzerland	IAIS
March 27-29	NAIC Spring National Meeting	Denver, CO	NAIC
June 12-14	NAIC Summer National Meeting	Seattle, WA	NAIC
June 15-18	IAIS Triannual Meetings	Taipei, Republic of China, (Taiwan)	IAIS
September 19-22	NAIC Fall National Meeting	Washington, DC,	NAIC
October 17-22	IAIS Triannual Meetings/Annual Conference	Dubai, UAE	IAIS
December 4-6	NAIC Winter National Meetings	New Orleans, LA	NAIC
2011			
February	IAIS Triannual Meetings	Venue to be decided	IAIS
March 26-28	NAIC Spring National Meeting	Austin, TX	NAIC
June	IAIS Triannual Meetings	Venue to be decided	IAIS
June 4-6	NAIC Summer National Meeting	Philadelphia, PA	NAIC
September 10-12	NAIC Fall National Meeting	Washington, DC	NAIC
October (tbd)	IAIS Triannual Meetings/Annual Conference	Seoul, Korea	IAIS
December 3-5	NAIC Winter National Meeting	Atlanta, GA	NAIC

List of Abbreviations

ASSAL Association of Latin American Insurance Supervisors
BIS Bank for International Settlements
CEIOPS Committee of European Insurance and Occupational Pensions Supervisors
CBFA Commission Bancaire, Financiere et des Assurances (Belgium)
CIRC China Insurance Regulatory Commission
EU European Union
FSF Financial Stability Forum
FSWG Financial Sector Working Group
FSI Financial Stability Institute
GATS General Agreement on Trade in Services
IAIS International Association of Insurance Supervisors

IASB International Accounting Standards Board
IOSCO International Organization of Securities Commissions
IRDA India Insurance Regulatory and Development Authority
JEC Joint Economic Council
NAFTA North American Free Trade Agreement
NCOIL National Conference of Insurance Legislators
OCC Office of the Comptroller of the Currency
OECD Organization for Economic Cooperation and Development
OGIS Offshore Group of Insurance Supervisors
WTO World Trade Organization

The “International Report” is produced by the International Relations Staff of the NAIC (for the use of NAIC members). If you would like further information regarding any of the issues addressed in these articles, please contact the NAIC’s Office of Government and International Relations in Washington, DC at:

National Association of Insurance Commissioners (NAIC)
Office of Government and International Relations
Suite 701 - Hall of States
444 N. Capitol Street, N.W.
Washington, DC 20001

CONTACTS:

George Brady (gbrady@naic.org) – 1-202-471-3988
International Counsel
and
Lauren Scott (lscott@naic.org) – 1-202-471-3981
International Policy Analyst

For copies of this and past editions of the International Report, and other information on the International Insurance Relations (G) Committee, visit: http://www.naic.org/international_insurance