

International Report



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*Mark Your Calendar:
NAIC International Insurance Forum
May 18-19, 2009 - Washington, DC*

NAIC AND STATE INSURANCE REGULATORS INVOLVEMENT IN THE U.S. FSAP

The Financial Sector Assessment Program (FSAP) is a joint IMF/World Bank project which aims to increase the effectiveness of efforts to promote the soundness of financial systems around the world. The U.S. financial regulatory system – including insurance - will be assessed in 2009 under this program.

Supported by experts from a range of national agencies and standard-setting bodies, work under the program has the following aims: (i) to identify the strengths and vulnerabilities of a country's financial system; (ii) to determine how key sources of risk are being managed; (iii) to ascertain the financial sector's developmental and technical assistance needs and (iv) to help prioritize policy responses. Detailed assessment of observance of relevant financial sector standards and codes, which give rise to Reports on Observance of Standards and Codes (ROSCs) as a by-product, are a key component of the FSAP and the U.S. insurance industry will be assessed according to its observance of the IAIS Insurance Core Principles. The FSAP also forms the basis of Financial System Stability Assessments (FSSAs), in which IMF staff address issues of relevance to IMF surveillance, including risks to macroeconomic stability stemming from the financial sector and the capacity of the sector to absorb macroeconomic shocks.

The NAIC has been working with the Treasury Department (the lead US regulator in the FSAP process and also in charge of negotiating the scope of the U.S. FSAP with the IMF) on the terms of the FSAP to minimize the resource demands of the FSAP on the U.S. insurance sector. According to the current scoping note, the U.S. FSAP will include the following:

- (1) A Formal Standards Assessment: This standards assessment for insurance will be limited to assessing observance of IAIS Insurance Core Principles, including an analysis of insurance oversight practices across states (through interviews and document review with the NAIC and a small number of state regulators). In preparation for this process, the NAIC is expected to provide as background material key documents and reference materials related to the U.S. insurance sector including key model laws, a compendium of state laws on various insurance topics and other relevant materials. In July of 2004, the NAIC completed the IAIS Insurance Core Principles Self Assessment Program to determine whether the IAIS Insurance Core Principles were being observed in the U.S. The NAIC will be updating this self-assessment as part of the U.S. FSAP process.
- (2) Quantitative Aspects of Stability Analysis: IMF staff typically work with regulators and firms to assess the impact of defined stresses on the aggregate balance sheet of the sector. The IMF team and U.S. authorities will agree on the macro stress testing methodology. The testing of a major insurer may also be undertaken.

An FSAP "review group" is expected to work with the U.S. Treasury and IMF on the terms of the FSAP, help identify states that will participate and coordinate NAIC input, including:

- A bibliography and documentation for off-site review by the IMF;
- NAIC Self Assessment (update of 2004 IAIS Self-Assessment);
- Recommendations on stress-testing;
- Review draft reports on the FSAP prepared by IMF; and

The participation in the FSAP by the states and the NAIC will be coordinated under the International Insurance Relations (EX) Leadership Group.

FSF MANDATE ON SUPERVISORY COLLEGES – PREPARATION OF NAIC RESPONSE

The Financial Stability Forum (FSF) issued a report in April 2008 to the G7 Finance Ministers and central bank governors entitled *Enhancing Market and Institutional Resilience* (the "FSF Report"). The report sets out a comprehensive set of recommendations on weaknesses in the financial system at the root of the financial crisis and the various actions needed for strengthening the global financial system. One recommendation for enhancing market and institutional resilience going forward was the expanded use of supervisory colleges for global financial institutions.

A "supervisory college" is not specifically defined in any related literature, but is essentially a meeting of all the regulators of entities that are part of a financial group, including regulators from outside the group's domiciliary jurisdiction. The meeting is typically convened by a lead regulator. While there is no set procedure for conducting a supervisory colleges, some regulators have convened meetings that have taken place over one or two days, and have involved closed sessions for confidential discussions among regulators on company performance and any other issues, as well as sessions with senior management of the financial group.

Specifically, the FSF Report recommended that (i) supervisory colleges exist for each of the largest global institutions by the end of 2008 and (ii) that supervisors involved in these colleges should conduct an exercise by 2009 to draw lessons about good practices.

The FSF working group identified a list of 34 global institutions including several US insurance related entities that could benefit from having a supervisory college. The NAIC will submit a response to the FSF on the U.S. insurance regulatory experience in regards to the creation and implementation of supervisory colleges for these entities.

As part of the response to the FSF, the NAIC will highlight the extensive current cooperation and coordination between state regulators, such as through quarterly meetings and the designation of lead regulators in certain circumstances, in addition to the sophisticated insurance financial database maintained by the NAIC and used by state regulators for monitoring insurance company solvency through the Financial Analysis Working Group (FAWG), the Financial Analysis Solvency Tracking System (FAST), the Insurance Company Information System (ICIS), and the State Data Network (SDN).

NAIC PARTICIPATION IN G20 WORKING GROUPS

The G20¹ met in November of 2008 to discuss the ongoing global financial crisis. They identified five principles to guide an eventual regulatory change in the global system:

- (i) strengthening transparency and accountability;
- (ii) improving regulation;
- (iii) promoting market integrity;
- (iv) reinforcing cooperation, and
- (v) reforming international institutions.

The G20 Troika (UK, Brazil, Korea) has established four working groups which were given the mandate to address these general principles. To date, NAIC has focused on WG1 *enhancing sound regulation and strengthening transparency* (chaired by Germany and Mexico with Treasury as the U.S. representative) and WG2 *reinforcing international cooperation and promoting integrity in financial markets* (chaired by Canada and India with the Federal Reserve as the U.S. representative).

These two working groups have asked national financial regulators for their input as to work which has already been undertaken or is currently under way which addresses among others issues:

- (i) prudential oversight and mitigating against pro-cyclicality;
- (ii) efforts relating to regulating compensation schemes and risk management;
- (iii) efforts to strengthen transparency and accountability;
- (iv) efforts enhancing regulatory and supervisory cooperation; and
- (v) efforts to promote market integrity.

The NAIC has been engaged in the U.S. input into the G20 WG1 and WG2 by participating in United States government review and comment on various draft working papers, after consulting with several NAIC subject matter experts on NAIC initiatives on several of the issues being considered in both WG1

¹ Group of 20 heads of state of the 20 largest global economies

and WG2 (such as reforming credit rating agencies, working on capital surplus relief issues, enhancing risk assessment mechanisms and addressing credit default swaps). Although these NAIC initiatives are not necessarily motivated by the current global financial crisis, they nevertheless address topical issues which are being addressed by these working groups.

We have also been reviewing IAIS comments into these workstreams, which have provided the "international standard setter" perspective for the insurance sector. Both WG1 and WG2 have each produced final reports in preparation for the G20 Leaders Summit on April 2. NAIC involvement aims to influence policy, and to indicate that the U.S. state insurance regulators are responding to some of these concerns while simultaneously demonstrating that many of their past positions have proven to be financially sound.

INTERNATIONAL INSURANCE FORUM – MAY 18 & 19

The NAIC's International Insurance Forum is designed to explore recent and continuing developments and progress in international insurance regulation and the global financial services markets. Included among the planned topics for discussion are the Global Financial Regulatory Crisis, International Solvency Standards, Global Regulatory Convergence, and Promoting Sound Markets.

Participants will have the opportunity to discuss current issues in the insurance marketplace and regulation through panel discussions and question/answer periods. The Forum will raise awareness of the issues in the global insurance marketplace for the industry and regulatory community.

This Forum is for U.S. and international insurance regulators from developed and emerging markets, as well as industry professionals seeking a complete picture of the global insurance industry.

Watch for the Forum's agenda to be posted at http://www.naic.org/education_schedule.htm

NAIC WELCOMES SPRING INTERNATIONAL INTERNS

Taiwan, Singapore, Republic of Srpska (Bosnia Herzegovina) Are First Time Participants

In early May, the NAIC will welcome 9 regulator interns to its International Intern Program from various countries including Egypt, Saudi Arabia, Singapore, Republic of Srpska (*Bosnia Herzegovina*), Taiwan and Thailand. 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, 71 interns from 16 countries have completed the training. To date, 21 U.S. jurisdictions have hosted international regulators as part of the NAIC's intern program: Alabama, Arkansas, California, Colorado, District of Columbia, Georgia, Hawaii, Illinois, Kentucky, Maryland, Massachusetts, Montana, Nebraska, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Ohio, Texas, and Washington.

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 2009 program will include Alabama, District of Columbia, New Jersey, New York, Oklahoma, Puerto Rico and West Virginia. Oklahoma and Puerto Rico are first time hosts. The program concludes with attendance at the NAIC Summer National Meeting in Minneapolis, followed by an industry-regulator dialogue and a closing ceremony in Washington, D.C., June 17 – 19.

Timeline for Spring 2009 program

Timeline for Fall 2009 program

<p>NAIC Headquarters, Kansas City, Missouri Training: Dates: May 3 – 8 Interns arrive on Saturday, May 2 and depart for Host State on Saturday, May 9</p>	<p>NAIC Headquarters, Kansas City, Missouri Training: Dates: October 26– 30 Interns arrive on Saturday, October 24 and depart for Host State on Saturday, October 31</p>
<p>Host State—State Insurance Department Week 1: May 11 –15 Week 2: May 18 – 22 Week 3: May 25 – 29 Week 4: June 1 – June 5 Week 5: June 8 – June 12</p>	<p>Host State—State Insurance Department Week 1: November 2 – 6 Week 2: November 9 –13 Week 3: November 16 – 20 Week 4: November 23 –27 Week 5: November 30 – December 4</p>
<p>NAIC National Meeting – Minneapolis, Minnesota Dates: June 13-16</p>	<p>NAIC National Meeting – Honolulu, HI Dates: December 5 – 8</p>
<p>Closing Activities - Washington, DC Dates: June 17 – 19 Interns depart DC on Saturday, June 20</p>	<p>Closing Activities - Washington, DC Dates: December 9 – 11 Interns depart DC on Saturday, December 12</p>

If your state is interested in hosting an International Intern this Fall, please contact Ekrem Sarper (esarper@naic.org.)

NAIC ENGAGES IN INSURANCE REGULATORY DIALOGUE WITH SWITZERLAND

The NAIC and the newly formed Swiss Financial Market Supervisory Authority (FINMA) ² held a regulatory dialogue during the week of the IAIS Triannual meetings in Basel, Switzerland on March 3, 2009. The meeting provided a forum for an extensive exchange about recent initiatives to address the current financial crisis and the impact of the crisis on insurers doing business in each respective jurisdiction. There were also discussions relating to U.S. insurance regulatory reform proposals.

Regarding NAIC initiatives related to the current crisis, the NAIC commented on the Regulatory Modernization Initiative, the continued progress of the Solvency Modernization Initiative (SMI) in addition to various other financial solvency initiatives. Further the NAIC provided an update as to the ongoing debates at the U.S. federal level for financial regulatory reform.

FINMA reported on the workings of the Swiss Solvency Test (SST) and Swiss Quality Assessment (SQA) noting that SQA is presented as an additional way to get insights into a company beyond numbers and financial measures and thereby complements traditional supervision and the SST to provide a more holistic view of a company. In furtherance thereto, the NAIC invited FINMA to make a presentation on the SST and SQA, and the Swiss experience with group supervision, at the NAIC quarterly meetings in September in Washington DC.

There was also a discussion on developments in group supervision with FINMA reporting on the supervisory college experiences of Swiss Re and Zurich Financial and the NAIC discussing progress for convening supervisory colleges in the U.S. FINMA and the NAIC agreed to continue an active dialogue and exchange of ideas with regard to improving the processes and procedures for convening supervisory colleges for regulated entities in the future.

Finally, there were discussions as to IAIS strategic planning initiatives in addition to reactions to the IAIS's responses to the FSF and G20 working groups.

NAIC MEETS WITH JAPANESE MINISTRY OF FINANCE TO DISCUSS HEALTH CARE REGULATION

On Monday March 9th NAIC International and Health policy staff met with several members of the Japanese Ministry of Finance and the Japanese Embassy to discuss issues relating to healthcare regulation in the United States. The discussion centered on state supervision of health insurance companies, relevant NAIC model laws, the existence of a private health insurance substitute for public health insurance, rating rules, what measures are available to prevent adverse selection in health insurance and consumer protections. Further discussions ensued as to the NAIC's role in the federal debate on health care reform.

² As of January 1, 2009 the Federal Office of Private Insurance (FOPI), the Swiss Federal Banking Commission (SFBC) and the Anti-Money Laundering Control Authority merged into the newly created FINMA.

TAIWAN FINANCIAL SUPERVISORY COMMISSION PAYS COURTESY VISIT TO EXECUTIVE OFFICE

A delegation from the Taiwan Financial Supervisory Commission's (FSC) New York office met with the NAIC's new CEO, Terri Vaughan, in early March. The delegation was in Washington, DC for various meetings with the FDIC, Federal Reserve and Treasury. The FSC was particularly interested in learning about the states' experience with regard to the financial markets crisis.

The FSC were keen to develop a stronger understanding of how State regulators work together to prevent market failures and proposed a closer working relationship with the NAIC in the form of a Memorandum of Understanding on Regulatory Cooperation. They invited the NAIC to visit Taiwan later this year and meet with their Director General Tien-Mu Huang during the next IAIS Tri-Annual meeting in June in Taipei, Taiwan. The NAIC will also be exploring ways in which it can provide technical assistance in the form of a seminar on natural disasters and catastrophes at the appropriate time.

BANK OF ISRAEL VISITS NAIC SECURITIES VALUATION OFFICE

In early February, Ed Offenbacher, Director of the Monetary and Finance Unit in the Research Department of the Bank of Israel (BOI) visited the NAIC Securities Valuation Office (SVO). Mr. Offenbacher discussed the Bank of Israel's interest in developing expertise in analyzing insurance companies, the main non-bank financial intermediaries in Israel.

The BOI was particularly interested in discussing securities valuation for the insurance industry, especially in light of the current market turmoil. Offenbacher reported that there have been no insurance company failures in the Israeli market, the BOI was interested in understanding how the NAIC deals with companies facing financial difficulties.

LONDON METROPOLITAN UNIVERSITY STUDENTS STUDY U.S. SYSTEM

Students Return for the Third Year

The Washington DC Office of Insurance, Securities and Banking Regulation (DISB) hosted students from the London Metropolitan University's Financial Regulation and Compliance Management, Washington Study Tour. DC Commissioner Thomas Hampton provided an overview of U.S. insurance regulation and how the DISB functions. The students, like their counterparts from previous years, were interested in learning about state-based regulation and why the U.S. does not have a federal consolidated supervisor as exists in many other parts of the world.

NAIC Government Relations Counsel and Senior Advisor, Tom Montgomery, provided an update on federal legislation related to creating a federal insurance supervisory framework in place 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 DISB and the NAIC for coordinating the meeting.

INTERNATIONAL TRADE UPDATE

World Trade Organization (WTO)/General Agreement on Trade in Services (GATS):

Ten days of talks on “clusters” of services are expected to begin March 30, 2009 as part of the Doha round of General Agreement on Trade in Services (GATS) negotiations. These talks will be held at the same time as regular WTO meetings on trade and financial services, specific commitments and domestic regulations.

Pending Colombian, Panamanian, and Korean free trade agreements: The U.S. Trade Representative-designate, Ron Kirk, during his Senate Finance Committee confirmation hearing March 9, refused to commit to moving the pending Colombian, Panamanian, and Korean free trade agreements through Congress in the next year. He did say that he believed that the Panama FTA was the closest to moving through Congress. He said the Obama Administration would seek to do a comprehensive review of U.S. trade policy, including the pending agreements.

Proposed Free Trade Agreement (FTA) negotiations: In November 2008 the outgoing Bush Administration announced the launch of the Trans-Pacific Partnership Free Trade Agreement (TPP) with Australia, New Zealand, Singapore, Vietnam, Brunei, Peru and Chile. The first round of talks were due to be held at the end of March, but have been put on hold while key appointments are being made to the U.S. Trade Representative's office, including congressional confirmation of U.S. Trade Representative Ron Kirk.

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 Triannual Conference and some IAIS Committee meetings were held March 3-6, 2009 in Basel, Switzerland. NAIC participants included Commissioners Cline (WV) and Praeger (KS); and NAIC staff. The next IAIS Committee meetings will be held in Chinese Taipei, June 24-25 2009.

Executive Committee [Commissioners Praeger (KS), Cline (WV), McCarty (FL)]

- Met in Basel March 4 & 6. Received an update from the Basel Committee on Banking Supervision (BCBS) re Basel II and BCBS actions on the financial crisis.
- Discussed IAIS actions regarding the financial crisis, with regards to IAIS participation in the Financial Stability Forum and the G20.

- Lengthy discussion about the New Focus Task Force and the shift of its work from the original mandate.
- Discussion about further encouraging the participation in a Multilateral Memoranda of Understanding.
- Discussion re the upcoming 2009 & 2010 Annual Conferences.

Budget Committee

- Met in Basel March 6 and the Secretariat provided a report on the year end financials. A comparison of the budget for 2008 with the actual results for 2008 indicates a better financial outcome for 2008 than anticipated.
- The Secretariat also provided an updated forecast financials for 2009. An update was also provided on the 2010 draft budget and also on the budgets for the upcoming Annual Conferences in 2009 & 2010.

Technical Committee [Commissioner Gross (VA), Chair]

- Discussed the financial crisis and identified key risks and trends in light of events and reactions in various jurisdictions.
- Presentation by BIS speaker on macroprudential regulation- interlinkages.
- Observers' hearing was held on various topics.
- Reports were given on the draft issues paper on Corporate Governance, the Relationship between the Auditor and the Actuary, Group Solvency Assessment and the Draft Standard and Guidance paper on Capital Resources.
- Progress report on valuation issues being worked on collectively by representatives of the Insurance Contracts and Solvency Subcommittees.

Governance and Compliance Subcommittee [Director McRaith (IL)]

- Met in Tokyo January 14-15 to finalize the draft of the Insurer Corporate Governance Issues Paper.
- Completed report on corporate governance survey results and incorporated those results into the final draft of the Insurer Corporate Governance Issues Paper (early February).
- The Corporate Governance Issues Paper was then sent to the Technical Committee for approval (mid-February).

Financial Stability Task Force [Commissioner Gross (VA)]

- Responded to G20 Working Group 1 (enhancing sound regulation and strengthening transparency) and Working Group 2 (reinforcing international cooperation and promoting integrity in financial markets) reports with the goal of conveying several major points:
 - Clarifying IAIS role with regard to addressing Macroprudential concerns;
 - Addressing appropriate regulation of internationally active insurance groups;
 - Identifying and addressing regulatory gaps;
 - Supervisory cooperation through MMoUs and the use of supervisory colleges; and
 - Technical assistance.

Accounting Subcommittee [Rob Esson (NAIC)]

- Met on December 10-11, 2008 in Berlin & February 3, 2009 in Basel.
- The December meeting discussed the financial crisis, valuation and procyclicality. These are issues that are now being addressed by the IASB/FASB Financial Crisis Advisory Group with Commissioner Al Gross (VA) as the IAIS Representative.
- It continued work on the Issues Paper on the relationship between the actuary and external auditor, finishing at the February meeting. The NAIC provided comments, and the paper has now been released by the Technical Committee for further consultation.
- The December meeting also included a presentation from the Chairman on a discounted cash flow methodology for valuation of fair value in illiquid markets. It utilized averages and trends over 120 days.
- The February meeting included a presentation from Allianz on the IASB's Financial Statement Presentation project which highlighted some difficult areas for insurers, in particular the requirement to split operating, financing and investing assets and cashflows into different categories.

Insurance Fraud Subcommittee

- Met in Paris on December 2-3 and discussed compilation of the fraud database survey and received updates from member jurisdictions.
- Began review and revision of relevant supervisory papers as part of ICP review (e.g. Guidance papers on Anti-money laundering and combating the finance of terrorism, Combating the misuse of insurers for illicit purposes, Preventing, detecting and remedying fraud in insurance) – to be completed in 2010.
- Next meeting scheduled for May in Guernsey.

Insurance Contracts Subcommittee [Rob Esson (NAIC) – Chair; Ramon Calderon (CA)]

- Met in Basel on February 4 in Basel and discussed the note to IASB on contract boundaries. A compromise was agreed at the Triennial meetings in Basel in March, but in view of the time constraints, the NAIC sent its own note to IASB & FASB. If the Technical Committee approves the new compromise wording, the IAIS will send a similar note to the IASB & FASB Boards.
- Will review IASB developments, including an update on progress at IASB on Insurance Contracts and Revenue Recognition, and possible implication for IAIS workplans, and developments from the joint subgroup on valuation.
- Will endeavour to restart the process of proposed coordination on IASB insurance issues at Joint Forum.

Insurance Groups & Cross-Sectoral Issues Subcommittee [Commissioner McCarty (FL)]

- Met in San Diego on March 13-14, 2009.
- Discussed third draft of the Guidance Paper on the use of supervisory colleges.
- Report on the G20 Working Group Final Report on Enhancing Sound Regulation and Strengthening Transparency.
- Secretariat Report on the Joint Forum meeting on February 24-25, 2009 and the various Joint Forum work streams.
- Discussed survey on the definition of “group” and “financial conglomerate”.

Market Conduct Subcommittee

- Met on December 2 and discussed mandate and work plan.
- Next meeting scheduled for 19 – 20 May, 2009 in Guernsey.

Solvency and Actuarial Issues Subcommittee [Joe Fritsch (NY), Kris DeFrain]

- Met in Tokyo Feb. 4-6 and discussed the solvency standards and guidance that will be included in one book-type document called the International Solvency Requirements (ISRs).
- Sent Group Solvency Assessment issues paper to Technical Committee to request consultation.
- Discussed the overarching solvency paper, with the U.S. as the lead drafter.

Reinsurance and Other Forms of Risk Transfer Subcommittee and Reinsurance Mutual Recognition Subgroup [Commissioner Goldman (NJ), Chair]

- Met in Basel January 20 – 22 regarding the supervisory papers on direct and indirect supervision of reinsurers and revising papers on life and non-life securitization.
- Received a summary on obstacles and barriers in the global reinsurance market. Statistical questions will be left to the Global Reinsurance Market Report (GRMR).
- An assessment criteria questionnaire was presented to assist supervisors in considering a supervisory recognition agreement by providing a first step to assess a supervisory regime. Discussion centered on outcomes versus detail.
- A proposal to split the GRMR into two reports per year was sent to the full Reinsurance Transparency Group for thoughts upon conclusion of the RSC meeting and was proposed to the Technical Committee at their last meeting in Basel March 3 – 6.

Reinsurance Transparency Group

- Global Reinsurance Market Report was published December 2008.

Implementation Committee

- Met in Basel March 6 and discussed the IAIS Multilateral Memorandum of Understanding (MMoU) and the IAIS strategy of standard implementation and assessment.
- An update was provided on upcoming regional seminars, preparation for the global seminar, status of translation activities, co-financing project for developing Russian translation of Core Curriculum material, development of the interactive (CD/DVD) version of the Core Curriculum, and development of the teaching notes and presentations.

Implementation Activities Approval Subcommittee

- Met in Basel March 6 and discussed the IAIS strategy of standard implementation and assessment.

Task Force on Information Gathering and Analysis

- Met in Basel March 5 and received a presentation on the Survey on information gathering and analysis.
- Discussed the preparation of the draft application paper on information gathering and analysis.

Regional Coordination Subcommittee

- Met in Basel March 5 and received Report on regional cooperation and training needs in the regions.
- Discussed closer cooperation with the insurance laws subcommittee with regards the insurance laws databases and other activities of the insurance laws subcommittee.
- Report on the insurance laws databases and other activities of the insurance laws subcommittee.
- Discussion on the implementation of IAIS Disclosure Standards and how to facilitate the development of case studies.

IAIS-CGAP Joint Working Group on Microinsurance [Commissioner Oxendine (GA)]

- Met on March 9, 10th in Basel, Switzerland.
- Discussion on changing name and structure of CGAP Working Group on Microinsurance to Microinsurance Network.
- Feedback from recent meetings, seminars and workshops.
- Presentation of Access to Insurance Initiative (A2II) and summary of draft charter.
- Discussion on progress of supervisory papers being developed.
- Seminars/workshops on microinsurance to be conducted in 2009.
- Approved the draft outline for the paper on Joint Issues paper on the regulation and supervision of mutual organisations, in relation to microinsurance, in emerging economies.
- The China JWG meeting and workshop on microinsurance will be in the week beginning 14 July in Taiyuan in Shanxi province.
- Next meetings on June 2-3 in Atlanta, Georgia.

Insurance Core Principle (ICP) Review Task Force [Commissioner Geeslin (TX)]

- Met in Singapore February 10-12, 2009 and completed work on proposed revisions to the Insurance Core Principles and Methodology (ICPs) issued in October 2003.
- The proposed revisions were circulated again among the ICP Task Force members for final comments before being submitted to the Working Party Chairs at the March 4, 2009, Triennial Meetings.
- As it has completed its charge, the Task Force recommended that it be disbanded.

Insurance Laws, Regulations, Practices & Standards Subcommittee

- Met in Basel March 4 and changed the ILS’ mandate pursuant to guidance from the Implementation Committee to delete references to maintaining and updating of the Reinsurers Database (RDB) since it was not regularly updated.
- Discussion of improving the existing Insurance Laws Database.

NAIC International Calendar
(**Bold** denotes active NAIC participation)

2009			
January 14-15	IAIS Governance & Compliance Subcommittee	Tokyo, Japan	IAIS
January 20-22	IAIS Reinsurance Subcommittee	Basel, Switzerland	IAIS
January 21-22	CEIOPS Member Meeting	Frankfurt, Germany	CEIOPS
January 22	European Union Financial Conglomerates Committee	Brussels , Belgium	EU Commission
January 25-27	IAIS Executive Committee Retreat	Brussels, Belgium	IAIS - CBFA
February 2	Joint Regional Information Session – Insurance Groups and Solvency Issues	Tokyo, Japan	IAIS
February 3-5	IAIS Accounting and Insurance Contracts Subcommittee	Basel, Switzerland	IAIS
February 3-5	IAIS Insurance Groups and Cross-Sectoral Issues Subcommittee	Tokyo, Japan	IAIS
February 4-6	IAIS Solvency & Actuarial Issues Subcommittee	Tokyo, Japan	IAIS
February 4-5	Joint Forum Risk Assessment and Capital WG	Miami, FL	
February 10-12	IAIS Review of the Insurance Core Principles Task Force	Singapore	MAS/IAIS
February 24-25	Joint Forum	Paris, France	CB/ACAM/AM F
February 26-27	CEIOPS Consultative Panel	Frankfurt, Germany	CEIOPS
March 3	IAIS Interim MMOU Signatories Working Group	Basel, Switzerland	IAIS
March 3-6	IAIS Triannual Meetings	Basel, Switzerland	IAIS
March 9-10	IAIS Subgroup on Microinsurance and Joint Working Group	Basel, Switzerland	IAIS
March 12-14	Financial Stability Forum	Paris, France	FSF
March 13-15	IAIS Insurance Groups & Cross-Sectoral Issues Subcommittee	San Diego, CA	IAIS
March 15-18	NAIC Spring National Meeting	San Diego, CA	NAIC
March 17-19	Solvency II and other Risk-based Solvency Frameworks (Basel)	Basel, Switzerland	FSI

March 24-26	IAIS 8 th Regional Seminar on Capital Adequacy, On-site Inspection and Risk Assessment for Supervisors from Middle East and North Africa	Manama, Bahrain	IAIS, Central Bank of Bahrain
March 25-26	CEIOPS Member Meeting	Frankfurt, Germany	CEIOPS
April 2-3	G20 Heads of State	London	G20
April 6-7	25th PROGRES Seminar on Insurance Regulation and Supervision	Montreux, Switzerland	Geneva Association
April 15-17	IAIS Accounting and Insurance Contracts Subcommittees	Brussels, Belgium	IAIS
April 20	IAIS Solvency & Actuarial Subcommittee Regional Information Session	Santiago, Chile	IAIS
April 21-23	IAIS Solvency & Actuarial Subcommittee	Santiago, Chile	IAIS
April 21-22	IAIS Reinsurance Subcommittee & Mutual Recognition Subgroup	New York	IAIS
April 23	Reinsurance Transparency Group	New York	IAIS
April 23-24	IAIS Ad Hoc Working Group for the Review of IAIS Education Strategy	Basel, Switzerland	IAIS
April 26-30	IAIS – ASSAL, OECD Training Seminar	Ixtapa, Mexico	IAIS, ASSAL, OECD, CNSF
April 27-May 1	IAIS AITRI Insurance Technical Workshop Series	City in ASEAN Countries (TBD)	IAIS, AITRI OSFI
May 5-6	CEIOPS Consultative Panel Meeting	Frankfurt, Germany	CEIOPS
May 6-7	IAIS Governance & Compliance Subcommittee	Amsterdam, Netherlands	IAIS
May 18-19	NAIC International Insurance Forum	Washington, DC	NAIC
May 19-20	IAIS Market Conduct Subcommittee	Guernsey	IAIS
May 25-26	IAIS Insurance Groups and Cross-Sectoral Issues Subcommittee	Basel, Switzerland	IAIS
May 26-28	IAIS Reinsurance Subcommittee and Mutual Recognition Subgroup	Paris, France	IAIS
June 2-3	IAIS Subgroup on Microinsurance and Joint Working Group	Atlanta, GA	IAIS
June 13-16	NAIC Summer National Meeting	Minneapolis, MN	NAIC
June 19-20	CEA Int'l Insurance Conference	Brussels, Belgium	CEA
June 22-23	IAIS Global Seminar	Chinese Taipei	IAIS, Insurance Commission
June 23-24	Joint Forum	Berlin, Germany	BaFin
June 24-26	IAIS Triannual Meetings	Chinese Taipei	IAIS
June 30-July 1	CEIOPS Member Meeting	Poland	CEIOPS
July 9-10	OECD– Insurance and Private Pensions Committee (IPPC)	Paris, France	OECD
July 13	IAIS Solvency & Actuarial Issues Subcommittee Regional Information Session	Edinburgh, Scotland	IAIS
July 13-14	IAIS Governance & Compliance	Manama,	IAIS

	Subcommittee	Bahrain	
July 14-16	IAIS Solvency & Actuarial Issues Subcommittee	Edinburgh, Scotland	IAIS
September (3-4 days)	IAIS Workshop on Risk Based Solvency and Supervision	Santiago de Chile, Chile	SVS Chile, IAIS, FSI, ASSAL
September (4 days)	IAIS Taking Action When Things Go Wrong	Barbados	OSI Barbados, IAIS, OGIS
September 1-3	IAIS Accounting and Insurance Contracts Subcommittee	Toronto, Canada	IAIS
September 7-9	IAIS Solvency & Actuarial Issues Subcommittee	Madrid, Spain	IAIS
September 9-10	IAIS Governance & Compliance Subcommittee	Montreal, Canada	IAIS
September 10-11	IAIS Insurance Groups & Cross-Sectoral Issues Subcommittee	Madrid, Spain	IAIS
September 15-18	IAIS Regional Seminar for Supervisors from Central and Eastern Europe	Moscow, Russia	FSIS Russia, IAIS, OSFI
September 21-24	NAIC Fall National Meeting	Washington, DC	NAIC
September 22-24	IAIS Reinsurance Subcommittee and Mutual Recognition Subgroup	Washington, DC	IAIS
September 25-29	IAIS Regional Seminar on Supervisory Issues for Senior Officers of Insurance Supervisors	Kathmandú, Nepal	IB Nepal, IAIS
September 29-30	CEIOPS Consultative Panel Meeting	Frankfurt, Germany	CEIOPS
October 5-8	IAIS Regional Seminar on Effective Insurance Supervision	Accra, Ghana	NIC Ghana, IAIS, FSI
October 19-24	IAIS Triannual Meetings/Annual Conference	Rio de Janeiro, Brazil	SUSEP/IAIS
October (during Triannual Mtg)	IAIS Reinsurance Subcommittee and Mutual Recognition Subgroup	Rio de Janeiro, Brazil	SUSEP/IAIS
October 29-30	CEIOPS Member Meeting	Germany	CEIOPS
November (4 days)	IAIS-ASSAL Training Seminar	Peru	SBS Peru, IAIS, ASSAL, FIDES
November 4-5	IAIS Insurance Contracts Subcommittee	London, UK	IAIS
November 17-18	Joint Forum	TBD	TBD
December	IAIS Governance & Compliance Subcommittee	Paris, France	IAIS
December – 1 st	IAIS Reinsurance Subcommittee	Australia or TBD	IAIS
December 1-3	IAIS Accounting and Insurance Contracts Subcommittees	London, UK	IAIS
December 3-4	OECD – Insurance and Private Pensions Committee (IPPC)	Paris, France	OECD
December 5-8	NAIC Winter National Meeting	Honolulu, HI	NAIC
December	IAIS Solvency & Actuarial Issues Subcommittee	Honolulu, HI	IAIS

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January [tbd]	IAIS Executive Retreat	Europe	IAIS
February 9-12	IAIS Triannual Meetings	Basel, Switzerland	IAIS
March 27-30	NAIC Spring National Meeting	Denver, CO	NAIC
June 21-22	IAIS Global Seminar	Chinese Taipei	IAIS, Financial Supervisory Commission
June 23-25	IAIS Triannual Meetings	Chinese Taipei	IAIS
August 14-17	NAIC Summer National Meeting	Seattle, WA	NAIC
October 24-29	IAIS Triannual Meetings/Annual Conference	Dubai, UAE	IAIS
TBD	NAIC Fall National Meeting	Washington, DC	NAIC
2011			
October	IAIS Triannual Meetings / Annual Conference	Seoul, Korea	IAIS

List of Abbreviations

AFIRC	Arab Forum of Insurance Regulatory Commissions	Belgium	Commission Bancaire, Financiere et des Assurances (CBFA)
AITRI	ASEAN Insurance Training & Research Institute	India	India Insurance Regulatory and Development Authority (IRDA)
ASSAL	Association of Latin American Insurance Supervisors	Italy	(ISVAP)
BIS	Bank for International Settlements	Korea	Financial Supervisory Service (FSS)
CEIOPS	Committee of European Insurance and Occupational Pensions Supervisors	Japan	Financial Services Agency (FSA)
CIRC	China Insurance Regulatory Commission	UK	Financial Supervisory Authority (FSA)
EU	European Union	France	French Supervisory Authority (ACAM)
FSF	Financial Stability Forum	Brazil	Supervisory Authority of Brazil (SUSEP)
FSI	Financial Stability Institute	Australia	Australian Prudential Regulatory Authority (APRA)
FSWG	Financial Sector Working Group	Hungary	Hungarian Financial Supervisory Authority (HFSA)
GATS	General Agreement on Trade in Services		
IAIS	International Association of Insurance Supervisors		
IASB	International Accounting Standards Board		
IAA	International Actuarial Association		
IIF	Institute for International Finance		
IFC	International Finance Corporation		
IOPS	International Organization of Pension Supervisors		
IOSCO	International Organization of Securities Commissions		
MENA	"Middle East and North Africa"		
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		

National Supervisory Authorities:

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:

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