

INTERNATIONAL REPORT

NAIC
National Association of
Insurance Commissioners

& The CENTER
for INSURANCE
POLICY
and RESEARCH

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*Mark Your Calendar:
NAIC International Insurance Forum
May 17-18, 2010 - Washington, DC*

IAIS APPROVES WORK ON COMMON FRAMEWORK FOR SUPERVISION OF INTERNATIONALLY ACTIVE INSURANCE GROUPS

The IAIS continues to refine its work in a number of areas of insurance supervision highlighted by the recent financial crisis. One of these initiatives is research and design into the practicality and development of a common framework for group wide supervision of internationally active insurance groups. Under a task force chaired by Monica Mächler (Switzerland's Financial Market Supervisory Authority), the ComFrame Task Force is in the process of drafting an outline for in-depth analysis into the various component parts of the proposed framework.

Issues under early study range from the definition of an insurance group, to the issues to be explored in developing principle-based quantitative and qualitative measures, to jurisdictional issues related to the proper functioning of such a framework for insurers operating on a cross-border basis. Commissioner Al Gross (Virginia) will serve as vice-chair of the Task Force. His appointment underscores the close cooperation that will take place between the Task Force and the work on the different elements of the framework that will be done by the various subcommittees reporting to the Technical Committee, on which Commissioner Gross serves as chair.

The Task Force remains in the planning phase, which will include defining deliverables, and defining content and structure in order to harmonize the work of the various subcommittees contributing to the broad-based project.

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

The Financial Sector Assessment Program (FSAP), a joint International Monetary Fund (IMF) and World Bank program assessing the U.S. financial regulatory system, including insurance, is entering its final phase.

In February 2010 the IMF completed its second round of field visits conducting visits at the NAIC and one state insurance department after completing its first set of field visits back in October 2009. These field visits built on the results of the NAIC's Self-Assessment (the NAIC through its FSAP review group completed a Self-Assessment this past August evaluating the extent to which U.S. insurance regulatory practices are in observance of the 28 IAIS Insurance Core Principles).

Based on the completed Self-Assessment (which reflected a high level of observance by the U.S. insurance regulatory system of the IAIS Insurance Core Principles), relevant background information and the aforementioned field visits, the IMF assessors have finalized a Detailed Assessment Report (DAR) which assesses U.S. observance of the IAIS Insurance Core Principles and provides recommendations regarding supervisory regulation. This DAR is expected to be finalized and made publicly available in mid to late April. The final output of the FSAP- the Financial System Stability Assessment (FSSA)- is expected to be finalized and published in July 2010.

The FSAP has provided U.S. insurance regulators with a useful platform for providing the world with an overview of how well the U.S. multijurisdictional insurance regulatory structure complies with international standards. The NAIC welcomed the opportunity to take part in the U.S. FSAP and expects to thoroughly review the DAR recommendations and channel them to the appropriate NAIC work streams to take into account when initiating and implementing insurance regulatory reforms.

STATE PARTICIPATION IN SUPERVISORY COLLEGES

U.S. state insurance regulators continue to regularly participate in supervisory colleges for insurance-related entities around the world. In addition, several U.S. states are convening a supervisory college for one insurance-related entity with global insurance and reinsurance operations. This college serves as a permanent platform for facilitating the exchange of information, views, and assessments enabling its members to gain a common understanding of the risk profile of the group to enhance risk based supervision and thereby enhance solo supervision efforts. The members have met via conference call several times over the past year to discuss procedural matters related to governance, process, timelines and information sharing agreements, in addition to the expectations and goals of the supervisory college. The participating supervisors have also held substantive discussions on the regulated entities' inherent risks, financial positions and business activities to enable the supervisors to gain an enhanced understanding of the various entities regulated by supervisory college members. The supervisory college is having its first in person annual meeting in April.

The NAIC also continues to evaluate the role of supervisory colleges and other methods of communication amongst cross-border and cross-sectoral supervisors with a Subgroup under the Group Solvency Issues Working Group of the Solvency Modernization Initiative (EX) Task Force charged with making recommendations for courses of actions relating to this issue. The Subgroup is currently reviewing states' potential future involvement in the International Association of Insurance Supervisors (IAIS) Multilateral Memorandum of Understanding (MMoU) by conducting a survey on state laws. In

addition, the Subgroup is proposing a tracking document which would track state regulators invited to and participating in supervisory college meetings with appropriate feedback mechanisms built into the chart for information exchanges between state regulators before and after the relevant supervisory college meetings.

EUROPE UPDATE

SOLVENCY II- EQUIVALENCE

In early December 2009 the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) issued Consultation Paper No. 78 on technical criteria for assessing third country equivalence under three articles of the Solvency II Framework Directive: Article 172 (Reinsurance supervision), Article 227 (group solvency calculations) and Article 260 (group supervision).

The NAIC welcomed the opportunity to submit public comments on this paper highlighting among other things the following key points:

- (i) An international vs. regional solution should be applied in evaluating the equivalence of supervisory regimes;
- (ii) it is premature for Solvency II standards to be used as a basis for evaluating equivalence as it is not due to come into effect until the end of 2012;
- (iii) the U.S. national state based system of insurance regulation has a proven efficacy supervising approximately 40% of the world's insurance market and should receive consideration and support as an equivalent solvency regime despite not being a "third country";
- (iv) an outcomes-based approach to evaluating equivalence should accept that a system can adequately satisfy stated principles and objectives using different means.

The NAIC also provided some technical comments on CEIOPS criteria such as where it should make more explicit the range of alternate approaches deemed acceptable under an outcomes-based approach to equivalency and where it is too prescriptive or no longer represents a valid approach in light of the recent financial crisis.

The NAIC will continue to engage in dialogues with CEIOPS and the European Commission to discuss the above issues, and will participate in a European Commission hearing on Solvency II on May 4 in Brussels, Belgium.

NAIC, CEIOPS AND EUROPEAN COMMISSION **DISCUSS SMI & SOLVENCY II**

The NAIC held a regulatory dialogue with CEIOPS and the European Commission (EC) while attending the IAIS Triannual in Basel, Switzerland last month. This important dialogue came on the heels of the NAIC filing comments with CEIOPS on their technical criteria for assessing equivalence of third countries in February. The NAIC further illustrated to CEIOPS and the EC the similarities between the two solvency systems and discussed some of the proposals under consideration as part of the Solvency Modernization Initiative. CEIOPS and the EC discussed their next steps on third country equivalence and also the work program for Solvency II's implementation. Both CEIOPS and the EC agreed that it was important to have continued information exchange with the NAIC to better understand the U.S.

regulatory system and find a way forward towards equivalence. The NAIC invited CEIOPS to visit the NAIC later this year to continue the discussions at a more in depth technical level.

NAIC PARTICIPATES IN MEETINGS AT THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD)

Director Christina Urias (AZ) and Gita Timmerman (NAIC) participated in the Insurance and Private Pensions Committee (IPPC) of the Organization for Economic Cooperation and Development (OECD) on December 3 and 4 in Paris, France. Participants from the 30 Member countries and private sector representatives engaged in discussions on a number of issues, including the impact of the financial crisis on the insurance sector, catastrophic risks, corporate governance, financial innovation and financial education.

The discussion on the impact of the financial crisis on the insurance sector was of particular interest including clarifications of certain misunderstandings regarding certain AIG operations. NAIC staff provided written comments to numerous papers including the OECD Revised Guidelines on Insurer Governance, a paper entitled Regulatory Issues Related to Financial Innovation, and the Revised Report on the Impact of the Financial Crisis on the Insurance Sector. The next OECD IPPC meeting is scheduled for June 3rd & 4th in Paris, France.

INTERNATIONAL INSURANCE FORUM

The NAIC will hold its Annual International Insurance Forum, May 17 – 18, to better understand the U.S. insurance sector through the prism of the Financial Sector Assessment Program (FSAP).

Over the last year, the NAIC participated in the FSAP, a joint International Monetary Fund (IMF) and World Bank program assessing the U.S. financial regulatory system, including insurance. Participants will learn more about the process, the results of the FSAP vis-à-vis the Insurance Core Principles (ICP) maintained by the International Association of Insurance Supervisors (IAIS) and recommendations received.

Highlights include two key note addresses by eminent U.S. Government officials regarding the U.S. participation in the Financial Stability Board (FSB) and its potential impact for the insurance sector; and the convergence towards International Financial Reporting Standards (IFRS). Participants will also have an opportunity to hear from a Congressional Representative on the importance of regulatory modernization in the U.S.

Also included will be discussions on:

- emerging global and regional standards for capital requirements;
- systemic risk and the U.S. insurance sector;
- global approaches to regulating internationally active insurance groups;
- corporate governance; and
- the role of regulation in market expansion.

Register using the form attached to this report for what will be a very interesting and exciting 2 days.

NAIC JOINS U.S.-INDIA FINANCIAL ECONOMIC FORUM MEETINGS

The NAIC participated in the annual U.S.-India Financial Economic Forum in New Delhi, India, December 9th and 10th, 2009. The U. S. delegation was led by the Treasury Department and included other U.S. agencies including the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), Securities and Exchange Commission, Office of the Comptroller of the Currency, and the Commodities Futures Trading Commission. Various macro-economic topics were discussed including the recent financial and economic crisis and its impact on both countries.

Among key topics raised by India's Insurance Regulatory Development Authority (IRDA) were the distribution networks and agents' compensation (commission based vs. salary based) for pension, insurance and mutual funds financial products. IRDA seemed to be very interested in learning more about the U.S. health insurance system and further follow up will be included in the future action plans between the two countries.

IRDA discussed pending legislation to increase foreign ownership/control of Indian insurers from 25% to 49%. IRDA reiterated its support for this increase but noted that there remains opposition in their Parliament. The NAIC also committed to working with other U.S. regulators in providing greater assistance to India as it develops its pensions and annuity system. Other items discussed were Financial Inclusion and Financial Literacy, Technical Assistance and Training. A draft 2009-2010 Action Plan has been developed as a result of the meeting and the NAIC is continuing to work with Treasury on implementing this.

REGULATOR TO REGULATOR DIALOGUE HELD WITH SWITZERLAND

On the sidelines of the IAIS Triannual in February, the NAIC delegation which included Commissioners Gross and McCarty, along with NAIC staff, held a regulator to regulator dialogue with the Swiss Financial Market Authority (FINMA). This meeting was a follow up to the last dialogue which was held in New York last October, and allowed the NAIC to continue to share information related to the ongoing regulatory modernization efforts and for the Swiss to share the latest developments on the Swiss Solvency Test.

In addition, the group discussed the future work plan of the IAIS and shared common ideas on ongoing projects including the IAIS Common Framework for the supervision of Internationally Active Insurance Groups, which is being chaired by Monica Maechler from Switzerland. Both sides agreed on the importance of continuing these regular dialogues and agreed to hold another one at the next opportunity.

NAIC PRESIDENT ELECT PARTICIPATES IN U.S. - CHINA JOINT ECONOMIC COMMITTEE DIALOGUE AND MEETS WITH CIRC VICE CHAIRMAN LI KEMU

Commissioner Susan Voss, NAIC's President Elect, and Ekrem Sarper, NAIC, participated in the recently held U.S.-China Joint Economic Committee Dialogue in Beijing, China. This meeting convened by the U.S. and Chinese governments, was an opportunity for both sides to share an update on

regulatory developments in their respective countries. Commissioner Voss discussed the state of the U.S. insurance sector, and ongoing regulatory modernization efforts. She underscored the resiliency of the sector in light of the financial crisis and emphasized the importance of a sound regulatory system to ensure policy holders are protected. The Office of the United States Trade Representative (USTR) was also present and discussed trade related matters including market access barriers for foreign insurers and the lack of national treatment.

The NAIC delegation also had a private meeting with the Vice Chairman of the China Insurance Regulatory Commission (CIRC), Li Kemu, to discuss bilateral issues. The CIRC discussed their ongoing concerns of ensuring policy holder protection during the financial crisis and emphasized that they were eager to learn best practices from the NAIC. The Vice Chairman accepted an offer from the NAIC to host a seminar later this year for CIRC on the investment of insurers' assets. The timing for this seminar will be agreed to in the coming months.

In addition to participating in these meetings, the NAIC delegation met with the AM-CHAM Insurance Forum and learned more about industry's top issues with doing business in China.

INTERNATIONAL TRADE UPDATE

OBAMA ADMINISTRATION BEGINS NEGOTIATIONS INTO TRANS-PACIFIC PARTNERSHIP AGREEMENT

The policy and political stakes are high as administration officials began negotiations for President Barack Obama's first potential trade agreement - the eight-nation Trans-Pacific Partnership (TPP) including Australia, Singapore, Chile, Peru, Vietnam, Brunei, New Zealand and the U.S. Negotiations were held March 15-19 in Melbourne, Australia, with three additional rounds of negotiations scheduled for 2010, including a June session to be held in the United States.

The TPP negotiations are being closely watched because it may likely demonstrate Obama's approach to trade pacts. Broadly at issue is whether the new administration will use the TPP process to translate Obama's many specific campaign trade reform commitments into a new approach - or whether the administration will fall back on the previous trade agreement model used by the George H.W. Bush, Bill Clinton and George W. Bush administrations. Financial services including insurance were included in the 2008 discussions and are likely to remain part of these talks. The TPP talks were initiated by the George W. Bush administration, which engaged in three rounds of negotiations in 2008.

WTO SERVICES NEGOTIATIONS CHAIRMAN ISSUES REPORT TO THE WTO TRADE NEGOTIATIONS COMMITTEE

On March 22, 2010, Ambassador Fernando de Mateo, Chairman of the WTO Council for Trade in Services in Special Session, issued a report to the WTO Trade Negotiations Committee discussing progress in the WTO services negotiations. The report covers developments since July 2008, in the four main areas of the services negotiations: market access, domestic regulation, GATS rules, and less developed countries (LDC) modalities.

On market access, the Chairman's report says that virtually all of the coordinators of the 20 plurilateral request-offer groups, representing the co-sponsors of the collective requests, reported "little or no significant progress made since July 2008," and while some useful discussions have been held since then to clarify technical points, those discussions "did not constitute real negotiations on substance." The report discusses some progress on domestic regulation and the implementation of LDC modalities, but points out that gaps remain in the discussions on GATS rules. Negotiations have been frozen for the last few years with little progress expected for 2010.

INSTITUTE OF BRAZILIAN ISSUES **VISIT NAIC EXECUTIVE OFFICE**

Twenty-six Brazilian Government officials who work in regulatory agencies met with NAIC staff on March 17. The Brazilian officials were in the U.S. to study the U.S. regulatory system from March 15 - 26. They were especially interested in how the U.S. insurance departments make their regulatory decisions, the degree of political independence, and how they evaluate the effectiveness and cost of the regulatory requirements. With health reform pending on Capitol Hill they had many questions about the future of health insurance in the U.S.

LONDON METROPOLITAN UNIVERSITY **STUDENTS STUDY U.S. SYSTEM**

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 Deputy Commissioner Chris Weaver and Associate Commissioner for Insurance Philip Barlow 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 cooperation between the state regulators and the Federal government.

NAIC Government Relations Counsel and Senior Advisor, Tom Montgomery, provided an update on federal legislation related to financial regulatory reform creating a federal insurance supervisory framework in place of state-based regulation and highlighted the importance of consumer protection in insurance. The students had numerous questions as to the proposed financial regulatory reform and what the consequences of this would be for the insurance sector. The students were grateful for the opportunity to learn about state insurance regulation and thanked the DISB and the NAIC for coordinating the meeting.

NAIC INTERNATIONAL INTERN PROGRAM ENTERING ITS 7TH YEAR

In early April, the NAIC will welcome a record 16 interns to its International Intern Program, including from Botswana (1), Czech Republic (1); Egypt (4); India (3); Kosovo (1); Saudi Arabia (2) and Thailand (4). Host jurisdictions for the spring 2010 program include Georgia, Hawaii, Iowa, Maryland, Michigan, Minnesota, Missouri, New Jersey, New York, Nebraska, New Hampshire, North Carolina, Puerto Rico, Washington DC, and West Virginia. Iowa, Minnesota, Missouri and New Hampshire are first time hosts. The NAIC developed the program in 2004 to advance working relationships with foreign market regulators, emphasizing the exchange of regulatory techniques and technology.

The program concludes in Washington, DC with a debriefing program, a seminar on industry – regulator relations by the U.S. insurance industry and a ceremonial graduation dinner to highlight the interns’ accomplishments. The NAIC internship program is conducted twice a year – spring and fall.

With the completion of the 2010 spring program, a total of 118 interns from 23 countries will have participated in the training program. To date, 27 U.S. jurisdictions have hosted these non-U.S. regulators, including: Alabama, Arkansas, California, Colorado, District of Columbia, Georgia, Hawaii, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Texas, Vermont, Washington, and West Virginia. We look forward to additional states joining this growing list.

Since the China-Pilot program began in 2004, Albania, Armenia, Azerbaijan, Bosnia & Herzegovina, Brazil, British Virgin Islands, Bulgaria, China, Chinese Taipei, Egypt, India, Jordan, Korea, Lebanon, Thailand, Russia, Saudi Arabia, Serbia, Singapore, and Vietnam have participated in the NAIC’s training program.

The timeline for the 2010 program can be found below.

Timeline for Spring 2010 program	Timeline for Fall 2010 program
NAIC Central Office, Kansas City, Missouri Training Dates: April 12 – 16	NAIC Central Office, Kansas City, Missouri Training Dates: October 11 - 15
Host State—State Insurance Department Week 1 – 5: April 19 – May 21	NAIC – National Meeting – Orlando, Florida Dates: October 18 – 21
NAIC Executive Office – Washington, D.C. Dates: May 24 - 25	Host State—State Insurance Department Week 1 – 5: October 25 – November 2
	NAIC Executive Office – Washington, D.C. Dates: November 29 – 30

*If your state is interested in hosting an International Intern in 2010,
please contact Ekrem Sarper (esarper@naic.org.)*

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 meetings were held February 23-26 in Basel, Switzerland and NAIC participants included Commissioners Gross (VA) and McCarty (FL); and NAIC staff. The next IAIS Triannual Meeting will be held in Manama, Bahrain in June.

Executive Committee [Commissioners Cline (WV), McCarty (FL), Gross (VA); and George Brady (NAIC)]

- Discussed work being progressed by the Common Framework Task Force looking into issues related to group-wide supervision of internationally active insurance groups. A final Task Force report on future work is expected in June.
- Continued strategic planning and discussion drafts on issues related to standard setting, financial stability, standard implementation, and external relations and key stakeholder expectations, with reassessment of resources to follow.
- Received a report from the Financial Stability Committee, which is examining “systemic risk” issues, and developing proposals on macroprudential tools for use in specific jurisdictions as well as ideas regarding a possible role for the IAIS in macroprudential surveillance.
- Considered creation of an Audit Committee.
- Received a presentation on Financial Stability and Systemic Risk from Jaime Caruana, General Manager of the Bank for International Settlements.
- Reviewed the results of a survey on IAIS stakeholder expectations.

Budget Committee

- Discussed the Preliminary Draft 2009 financial results and reviewed the 2010 Draft budget.
- Received a report on Secretariat travel.
- Received a report on Membership dues including reasons why Members may have cancelled.
- Discussed how best to invest the IAIS funds in 2010
- Received a Report on the Financial results for 2009 Annual Conference
- Received a Budget Report on 2010 Annual Conference in Dubai and the 2011 Annual Conference in Korea.

Technical Committee [Commissioner Gross (VA), Chair; Commissioner McCarty (FL)]

- Held a hearing with Observers related to the financial crisis and systemic risk.
- Discussed the work of the Insurance Core Principles (ICP) Coordination Group and the proper application of the ICPs to insurance groups, and approved the new structure of ICPs.
- Approved the release of drafts for consultation:
 - Issues paper on the Regulation and Supervision of Mutuals, Cooperatives and Other Community-based Organizations in Increasing Access to Insurance Markets

- Draft ICP and Standard on Valuation for Solvency Purposes.
- Several draft ICPs (those not assigned to technical subcommittees): Objectives, powers and responsibilities of the supervisor; Supervisor Authority; Licensing; Changes in control and portfolio transfers; Supervisory review and reporting; Preventative and corrective measures; Enforcement or sanctions; Macroprudential supervision and market analysis.
- ICP, Standard and Guidance on Licensing.
- ICP on Macroprudential Supervision and Market Analysis
- Standard on Remuneration
- Standard on Cross-Border Cooperation on Crisis Management
- Endorsed for adoption the Guidance Paper on Treatment of Non-Regulated Entities in Group-Wide Supervision
- Discussed the Joint Forum paper on the Differentiated Nature and Scope of Financial Regulation and work proposed as follow-up.
- Reaffirmed the need for the Solvency and Insurance Contracts Subcommittees to coordinate their work on valuation issues through the Joint Working Group.

Financial Stability Committee [Commissioner McCarty (FL)]

- Held conference calls to prepare IAIS input to FSB Plenary conference calls and meetings on issues including remuneration, systemic risk and “to big to fail.”
- Discussed further enhancements to IAIS position on systemic risk and insurance.

Accounting Subcommittee [Rob Esson – (NAIC)]

The Accounting Subcommittee met in Sydney, Australia on January 28-29. The response to IASB Exposure Draft on IAS 37 Liabilities was discussed with the response to be drafted subsequent to the meeting and agreed by teleconference.

Insurance Contracts Subcommittee [Rob Esson (NAIC) Chair]

The Insurance Contracts Subcommittee met in December 7-8 in San Francisco. It discussed the recent IASB standard on financial instruments and exposure draft on impairment of those instruments. This is particularly important as a number of life products with heavy investment components are likely to be classified as financial instrument liabilities under general purpose financial reporting even though regulated as insurance. There was also a discussion on the recent decisions by the IASB and FASB on insurance contracts, particularly relating to acquisition costs.

Governance and Compliance Subcommittee [Director McRaith (IL)]

The last meeting was held in Washington D.C. February 2-3 where the main discussion points were related to the Draft ICP, Standards & Guidance on Licensing, Remuneration, Suitability of Persons and Corporate Governance. The draft standards and guidance on remuneration were completed and submitted to the Technical Committee for wider consultation at the February Triannual. The next meeting will be held April 27–28 in Rome where the ICP on Suitability is expected to be completed and forwarded to the Technical Committee for wider consultation at the June Triannual.

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

The Working Group met February 1-3 in Hyderabad, India to continue discussing the mappings for the standards on Supervisory Cooperation and Coordination; Exchange of Information; Scope of Group, Supervisory Power and Legal Authority; and Group-wide Regulatory Requirements. The group discussed guidance papers on the treatment of non-regulated entities, the Group-wide Supervision Framework (GSF) and supervisory recognition.

The Subcommittee also discussed, revised and approved the standard on Cross-border Cooperation on Crisis Management and sent it to the Technical Committee for broader consultation. The Subcommittee is also developing a survey to gather information on the difficulties observed during the recent financial crisis. This will be used to facilitate the drafting of the issues paper on supervisory resolution of cross-border entities. The Joint Forum's draft report on developments in modelling risk aggregation was also discussed.

Insurance Fraud Subcommittee [Commissioner Kim Holland (OK)]

The last meeting was held in Budapest, Hungary January 26–28 where the group focused on the draft ICP, standards and guidance on insurance fraud and AML/CFT. The group's work continues to be tied to the Financial Action Task Force (FATF) and will be working to incorporate elements from their paper into the ICP, standards and guidance. The next meeting will be a conference call in May.

Market Conduct Subcommittee [Commissioner Kim Holland (OK)]

The last meeting was held in Cairo, Egypt December 14–15, 2009. The group continued to revise the draft ICP, standards and guidance on insurance intermediaries and the conduct of business. The next meeting will be held in conjunction with the Governance & Compliance meetings in Rome in late April.

Reinsurance and Other Forms of Risk Transfer Subcommittee and Reinsurance Mutual Recognition Subgroup [Bob Kasinow (NJ)]

The last meeting was held in Hyderabad, India February 3–4, where the group continued revisions to the ICP, standards, and guidance on reinsurance and other forms of risk transfer. The group also discussed “macroprudential surveillance” in light of a request from the Executive Committee. The next meeting will be held April 20–22 in Hamilton, Bermuda.

Solvency and Actuarial Issues Subcommittee (SSC) [Ramon Calderon-(NAIC)]

The last meeting was held in Cape Town March 2–4 where eight solvency papers (four Standards papers and four Guidance papers); along with the Standard paper on Valuation for solvency purposes were released for consultation. The consultation period ends April 30, 2010, and the Technical Committee will consider these papers for adoption during its June 2010 Triannual Meeting.

The Solvency Subcommittee discussed the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame). The Solvency Subcommittee will be providing technical input to the ComFrame Task Force relative to the specific modules outlined in the ComFrame.

Further discussion was held with regard to the preamble to the eight solvency papers, particularly in regard to the group application of the standards. NAIC will be providing further comments during the consultation period regarding the group application of the standards.

Implementation Committee

The Implementation Committee met 24-25 February 2010 in Basel in conjunction with the Triannual Meetings. The committee discussed the new strategic review which has commenced and will be reviewing the structure and strategy of the IAIS and will include reviewing its approach to standard implementation. It was emphasized that the Implementation Committee's importance should be elevated and ensure increased participation from developed countries (particularly as the IAIS develops the ComFrame).

The committee also heard that there should be greater coordination between the Implementation and Technical Committees in order to have a closer connection between standard setting and standard implementation. Implementation activities are expected to become more relevant and important. The Committee also received reports on the Multilateral Memorandum of Understanding, thematic peer review, implementation activities approval subcommittee, regional coordination subcommittee, insurance laws, regulations and practices subcommittee, and the task force on information gathering and analysis. Updates were also received on the global seminar, translation initiative and partner organization activities.

Implementation Activities Approval Subcommittee (IAAS)

The IAAS held a brief meeting during the Triannual Meetings and discussed the revised Guidance on Regional Seminars. The Subcommittee wanted to ensure that the IAIS was taking into account regional threat levels when planning regional seminars. The next meeting will be held in June at the next Triannual in Bahrain.

Task Force on Information Gathering and Analysis (TFIG)

The TFIG held a meeting during the Triannual Meetings and discussed the first draft of the Application Paper on Information Gathering and Analysis. The next meeting will be held in June at the next Triannual in Bahrain.

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

The last meeting was held in Hyderabad, India on November 2, 2009. Members received an update on the Access to Insurance Initiative (www.access-to-insurance.org) which was launched during the IAIS Annual Conference in Rio de Janeiro on October 22, 2009. Members provided an update on recent regulatory and policy initiatives in Microinsurance from different jurisdictions. The draft Issues Paper on the Regulation and Supervision of Mutuals, Cooperatives and other Community-based organizations in Increasing Access to Insurance Markets was released for formal consultation and members were asked to provide comments by April 30, 2010. The group also received reports on the progress following the G20 Pittsburgh communiqué and next steps. The next meeting will be in May in Berlin, Germany.

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

2010			
January 7	CEIOPS Meeting with Stakeholders on Equivalence and 3rd Countries	Frankfurt, Germany	CEIOPS
January 16-17	NAIC International Strategy Session	Miami, FL	NAIC
January 17-19	IAIS Executive Committee	Miami, FL	IAIS
January 21-22	IAIS ICP Coordination Group	Basel, Switzerland	IAIS
January 24-28	IAIS Insurance Fraud Working Group	Budapest, Hungary	IAIS
January 26-27	CEIOPS Members' Meetings	Frankfurt, Germany	CEIOPS
January 27-29	IAIS Insurance Contracts & Accounting Subcommittees	Sydney, Australia	IAIS
February 1-3	IAIS Solvency & Actuarial Issues Subcommittee	Hyderabad, India	IAIS
February 1-3	IAIS Insurance Groups and Cross-Sectoral Issues	Hyderabad, India	IAIS
February 2-3	IAIS Governance and Compliance Subcommittee	Washington, DC	IAIS
February 2-3	IAIS-MIN Joint Working Group on Microinsurance	Hyderabad, India	IAIS
February 3-4	IAIS Reinsurance Subcommittee	Hyderabad, India	IAIS
February 22-23	IAIS Pension Coordination Group joint meeting with IOPS Technical Committee	Basel, Switzerland	IAIS
February 23	IAIS Financial Stability Committee	Basel, Switzerland	IAIS
February 24-26	IAIS Triannual Meetings	Basel, Switzerland	IAIS
March 2-4	IAIS Solvency & Actuarial Issues Subcommittee	Cape Town, South Africa	IAIS
March 24-26	IAIS Insurance Contracts & Accounting Subcommittees	Tokyo, Japan	IAIS
March 26-29	NAIC Spring National Meeting	Denver, CO	NAIC
March 29-30	CEIOPS Members' Meetings	Frankfurt, Germany	CEIOPS
April 12-15	IAIS AITRI-OSFI Insurance Supervision Workshop	Jakarta, Indonesia	OSFI – IAIS
April 12	IAIS Internal Review Task Force	Basel, Switzerland	IAIS
April 13	IAIS Financial Stability Committee & ComFrame Task Force	Basel, Switzerland	IAIS
April 14	IAIS Executive Committee	Basel, Switzerland	IAIS
April 15-16	IAIS Market Conduct Subcommittee	Rome, Italy	IAIS

April 19-22	ASSAL XXI Annual Assembly	Santiago, Chile	ASSAL
April 20-22	IAIS Reinsurance Subcommittee and Reinsurance Transparency Group	Hamilton, Bermuda	IAIS
April 27-28	IAIS Governance and Compliance Subcommittee	Rome, Italy	IAIS
April 27-29	IAIS Insurance Contracts Subcommittee	Kansas City, MO	IAIS
April 29-30	IAIS Market Conduct Subcommittee	Rome, Italy	IAIS
May 3-6	IAIS-MIN Joint Working Group on Microinsurance & Conference	Berlin, Germany	IAIS
May 4	EU Commission Hearing on Solvency II	Brussels, Belgium	EU
May 17-18	NAIC International Issues Forum	Washington, DC	NAIC
May 18-20	IAIS Insurance Groups and Cross-Sectoral Issues	Toronto, Canada	IAIS
May 18-21	Regional Seminar on Implementation of Solvency II for Insurance Supervisors in Central and Eastern Europe	Belgrade, Serbia	FSI, IAIS Nat'l. Bank of Serbia
May 19	IAIS Financial Stability Committee	Washington, DC	IAIS
May 20-21	IAIS Internal Review Task Force	Washington, DC	IAIS
May 25-28	RISK Europe Conference	Frankfurt, Germany	Risk Europe
May – Mid	IAIS Insurance Fraud Working Group	London, UK	IAIS
June 1-3	Financial Stability Institute (FSI) Conference on Microinsurance	Basel, Switzerland	FSI
June 1-2	OECD - Terrorism Risk Insurance Conference	Paris, France	OECD
June 3-4	OECD – Insurance and Private Pensions Committee (IPPC)	Paris, France	OECD
June 7-10	IAIS Solvency & Actuarial Issues Subcommittee	Tokyo, Japan	IAIS
June 1	International Regulatory Issues Conference	Brussels, Belgium	G30, ABIR
June 11	CEA International Conference	London, UK	CEA
June 21	IAIS Global Seminar	Manama, Bahrain	IAIS
June 22-24	IAIS Triannual Meetings	Manama, Bahrain	IAIS
July 1-2	CEIOPS Members' Meetings	Tallin, Estonia	CEIOPS
July 5-6	IAIS Market Conduct Subcommittee	Kuala Lumpur, Malaysia	IAIS
July 6 – 8	IAIS Insurance Groups and Cross-Sectoral Issues	Basel, Switzerland	IAIS
July 8-9	IAIS Governance and Compliance Subcommittee & Information Session	Kuala Lumpur, Malaysia	IAIS
July 14-16	IAIS Insurance Contracts Subcommittee & Accounting Subcommittee	Basel, Switzerland	IAIS
July 20-23	NAIC International Training: Insurance Regulation and Supervision in the U.S.	Kansas City, MO	NAIC
August 14-17	NAIC Summer National Meeting	Seattle, WA	NAIC
September	Regional Seminar on Cross Sectoral Aspects in Activity of Insurance Undertakings	Warsaw, Poland	IAIS Polish FSA
September	IAIS-MIN Joint Working Group on Microinsurance	South Africa	IAIS

September – Early	IAIS Insurance Fraud Working Group	Quebec City, Canada	IAIS
September – Mid	IAIS Solvency & Actuarial Issues Subcommittee	Sydney, Australia	IAIS
September – Mid	IAIS Insurance Contracts & Accounting Subcommittees	Sydney Australia (tentative)	IAIS
September – Mid	IAIS Reinsurance Subcommittee	London, UK	IAIS
September 7 – 9	IAIS Insurance Groups and Cross-Sectoral Issues	Washington, DC	IAIS
September 13-14	IAIS Governance & Compliance Subcommittee	Quebec City, Canada	IAIS
September 13-16	Regional Seminar – Getting Practical	Jersey	OGIS IAIS
September 14-17	Regional Seminar - Risk Based Supervision	Mombasa, Kenya	FSI IAIS
September 15-16	IAIS Market Conduct Subcommittee	Quebec City, Canada	IAIS
September 16-17	IAIS Insurance Fraud Working Group	Quebec City, Canada	IAIS
September 21-23	FSI-ASSAL-IAIS Specialized Workshop on Reinsurance	Mexico City, Mexico	FSI, ASSAL, IAIS
October 18-20	NAIC Fall National Meetings	Orlando, FL	NAIC
October 24-29	IAIS Triannual Meetings & Annual Conference	Dubai, UAE	IAIS
November	IAIS Insurance Groups and Cross-Sectoral Issues Subcommittee	Amsterdam, Netherlands	IAIS
November	IAIS Insurance Contracts Subcommittee & Accounting Subcommittee	TBD, Europe	IAIS
November 9-10	CEIOPS Members' Meeting	Frankfurt, Germany	CEIOPS
November 9-12	Policy Seminar on Access to Insurance & 6th MIN International Microinsurance Annual Conference & IAIS-MIN Joint Working Group	Manila, Philippines	IAIS
November 22-25	IAIS – ASSAL Regional Seminar	San Salvador, El Salvador	IAIS ASSAL
December – Early	IAIS Market Conduct Subcommittee	Paris, France	IAIS
December – Early	IAIS Governance and Compliance Subcommittee	Paris, France	IAIS
December – Early	IAIS Reinsurance Subcommittee	TBD – USA	IAIS
December 2-3	OECD – IPPC Meeting Insurance and Private Pensions Committee	Paris, France	OECD

List of Abbreviations

AITRI	ASEAN Insurance Training & Research Institute
ASSAL	Association of Latin American Insurance Supervisors
BIS	Bank for International Settlements
CEIOPS	Committee of European Insurance and Occupational Pensions Supervisors
EU	European Union
FSF	Financial Stability Forum
FSI	Financial Stability Institute
FSWG	Financial Sector Working Group
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:

Australia	Australian Prudential Regulatory Authority (APRA)
Belgium	Commission Bancaire, Financiere et des Assurances (CBFA)
Brazil	Supervisory Authority of Brazil (SUSEP)
China	China Insurance Regulatory Commission
France	French Supervisory Authority (ACAM)
India	India Insurance Regulatory and Development Authority (IRDA)
Italy	(ISVAP)
Korea	Financial Supervisory Service (FSS)
Japan	Financial Services Agency (FSA)
UK	Financial Supervisory Authority (FSA)



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