Background

• New York Life is not regulated by the Fed nor are we an Internationally Active Insurance Group (IAIG)

• We have been very engaged in the development of insurance standards at the international and federal level due to potential for “spillover”
  – Best practices
  – Influence on state regulation
  – External parties
• Prescribed Corporate Governance Approaches vs. Outcomes
  – Prudent decision-making and strong oversight are desirable outcomes
  – Different governance structures are capable of achieving desired outcomes. Excessive prescription is not required or desirable
• What works for one company may not work for another
• Example: Isolating responsibility for risk with a subset of directors may not be viewed positively at firms where involvement of the full board is preferred
ANPR: Capital Requirements

General Considerations:

1) Tailored to insurance
2) Risk Sensitive
3) Avoid unnecessary volatility
4) Transparent
5) Comparable
6) Consistent
7) Surplus Notes
ANPR: Building Blocks Approach

• Leverages existing regulatory requirements
• Adjustments for comparability
• Qualifying capital
ANPR: Consolidated Approach

• Built off U.S. GAAP
• Appears compatible with IAIS standards under development
• Potential volatility – Adjustments to GAAP financials
• Comparability
• Surplus Notes
Conclusion