COMMISSIONERS PROVIDE SUPPORT TO INDIAN INSURANCE AUTHORITY
IRDA Hosts Commissioners Bell, Wagner

From August 12-20, Commissioner Walter Bell (AL) traveled to Hyderabad, India to evaluate the organizational structure of the Indian Insurance Regulatory Development Authority (IRDA). The visit was related to a 4-year technical assistance initiative funded by the U.S. Agency for International Development (USAID), which is largely focused on capacity building in the area of insurance regulation and in the development of health insurance in India. There are five main areas where technical assistance is needed: 1) insurance regulation and supervision capacity building; 2) development of health insurance; 3) insurance intermediaries and self-regulatory organizations; 4) deepening of the insurance market; and 5) institutional building for insurance education and research.

As part of this larger project, Commissioner Bell was asked to assess the organizational structure of the IRDA and make recommendations on how this could be structured in order to effectively regulate and oversee the insurance sector. Commissioner Bell’s evaluation presented a broad commentary on the present organization and provided a general discussion of what needs to be undertaken to ensure that the IRDA can develop as an insurance regulator applying internationally accepted standards.

Until 2000, the insurance market was a monopoly and the enactment of the IRDA Act in 1999 opened up the insurance sector to privately owned entities.

According to the latest figures from Bearing Point (consultant for USAID), there are 28 insurance companies under the supervision of the IRDA, broken down among 1 reinsurer, 13 life insurers and 14 non-life (property-casualty) insurers. The IRDA is led by Chairman C.S. Rao and is appointed through the Ministry of Finance. While adequate powers are granted to the IRDA, the 1999 Act reserved the right of the central government to supercede any action or decision of, or even dissolve, the IRDA.

NAIC International Insurance Symposium
“Meeting Tomorrow’s Global Challenges Today”
February 23-24, 2006
Washington, DC

Mark your calendar to attend the Symposium to hear about regulatory and market developments in Latin America, China, India and Europe.

KEYNOTE: Roger W. Ferguson
Vice Chairman, Federal Reserve Board

For further information:
www.naic.org/education
Early bird registration by January 23!
Pre-Briefing for IRDA Interns

In addition to assessing the IRDA structure, Commissioner Bell was also asked to deliver a pre-briefing presentation for the 8 Indian interns arriving in the US at the end of August for a special session of the NAIC International Intern Program. His presentation included an overview of US regulation, structure of solvency oversight, financial reporting and analysis, market regulation and rate and form approval. The internship program, which falls under the NAIC’s International Regulatory Cooperation (G) Working Group, helped the IRDA staff improve their knowledge and techniques of insurance supervision and enhance their skills in the areas of on-site financial condition and market conduct examinations.

Insurance departments of the District of Columbia, New Mexico, California, and New York hosted the interns from August 29 through September 30, 2005. The internship program was designed in such a way that the interns were able to participate in examinations conducted by the state insurance departments and observe and work on reviews of policy form and rate filings of insurers subject to appropriate confidentiality protections. Each host state volunteered a member of their staff as a mentor to the interns, to help make the transition and learning experience more effective.

Mr. C. R. Muralidharan from IRDA also visited the U.S., where he met with the interns in DC and New York. In meetings with regulators in D.C. and New York, he learned about U.S. practices for off-site examination (desk audit) procedures and the application of early warning ratios. He also inquired about the organizational set-up of U.S. insurance regulation and was exposed to how health insurance is regulated and supervised.

During his presentation, he highlighted critical insurance issues that Commissioners in the U.S. have encountered for the benefit of the Indian regulators.

The commissioner’s discussion addressed:
- The need for close attention to the regulatory structure and the definition of products.
- The number one problem in the sale of variable products – that, by necessity, they are complex and difficult to understand regardless of the disclosures made. The general population’s inability to understand the complexity of tax codes and the rules and limits of retirement plans creates uncertainty.
- The need for regulators to be committed to monitoring markets for competitiveness and remedy the absence of competition, especially while markets remain relatively competitive.
- The regulation of insurance and securities, which he recommended should be left to legislators and regulators.

Commissioner Bell Participates in FICCI Conference

Commissioner Bell traveled back to India to participate in the Federation of Indian Chambers of Commerce and Industry’s (FICCI) 10th Annual Conference on Insurance on November 23-24 in New Delhi. He gave a presentation entitled "From Product Focus to Consumer Centricity - A Critical Path to On-Going Success" and participated on a panel discussing how to succeed in the insurance business long-term. During his visit, he also completed his recommendations on how the IRDA could be structured to regulate and oversee the insurance sector more effectively.

NAIC Fall Internship Program

The success of last year’s China Pilot Intern program resulted in the creation of a formal internship program for non-US regulators. Feedback received from the China Insurance Regulatory Commission (CIRC) indicated a very high degree of personal satisfaction with the program by the interns and by CIRC’s top managers. The interns were also able to apply techniques learned in the U.S. to regulatory issues arising in China. The U.S. host states indicated a similarly high level of satisfaction with the effort and a universal willingness to participate in future internship programs.
As part of the NAIC’s International Program for Education and Research Cooperation (IPERC), the internship program started last year under the International Regulatory Cooperation (G) Working Group. The internship program provides an opportunity for professional staff members from abroad who meet specific qualifications to travel to the US to intern with a U.S. insurance department. The purpose of the program is to promote the transfer of applied regulatory knowledge for practical application in the regulators’ home markets.

To expand the program, the NAIC has decided to host two groups of interns, one in the fall and one in the spring, for the next two years.

To participate in the program, the non-US regulator must complete a formal application and submit a resume, which is then reviewed. The applicant must confirm their command of English is sufficient to read technical publications and to carry out and understand conversations on technical matters. States interested in hosting an intern also have to verify their ability to adequately meet the needs of the non-US regulator.

Like last year’s China Intern Pilot program, the fall 2005 internship began with a 4-day training session at NAIC headquarters in Kansas City, including an overview of the U.S. regulatory system and the role of the NAIC in insurance regulation. The interns included five from China (CIRC), two from Vietnam (Ministry of Finance, Insurance Department), two from Brazil (Ministry of Finance, Insurance Department) and one from Korea (Financial Supervisory Service).

The program continued with five weeks spent with state insurance department hosts from New York, California, Hawaii, Texas, Kentucky, and Oklahoma. The interns have been under the supervision of a departmental staff member who served as a mentor.

To enhance the experience of the interns and to expose them to the broader spectrum of the NAIC, the interns have traveled to the Winter NAIC meeting in Chicago, Illinois. They will be able to attend a variety of insurance related meetings and to share experiences with other non-US regulators hosted by other states. The program will conclude in Washington, DC with a debriefing program, a seminar on industry – regulatory relations by the U.S. insurance industry and a ceremonial graduation dinner. The NAIC would like to congratulate the Fall 2005 Class of Interns!

### International Intern Class

<table>
<thead>
<tr>
<th>Fall 2005</th>
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<tbody>
<tr>
<td><strong>China</strong></td>
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<td>Yan Bo</td>
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<td>Cai Yu</td>
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<td>Wang Caixia</td>
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<td>Cao Deyun</td>
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<td><strong>Vietnam</strong></td>
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<td>Do Anh Truong</td>
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<td>Tran Thranh Ha</td>
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<td><strong>Korea</strong></td>
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<tr>
<td>Jae-Min Lee</td>
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<tr>
<td><strong>Brazil</strong></td>
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<td>Paula Dornelles</td>
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<td>Gloria Moura</td>
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World Trade Organization (WTO)/General Agreement on Trade in Services (GATS): The Sixth WTO Ministerial Conference will be held in Hong Kong, China, December 13–18, 2005. In general, ministerial conferences are the WTO’s highest decision-making body, meeting at least once every two years and providing political direction for the organization. This sixth conference will be vital for enabling the four-year-old Doha Development Agenda negotiations to move forward sufficiently to conclude the round in 2006.

Free Trade Agreement (FTA) negotiations underway:
- Andeans FTA (Colombia, Peru, Ecuador): The US is at an advanced stage of the negotiations.
- Oman FTA: US and Oman have concluded their negotiations. The US Administration is considering the most appropriate time frame to sign the agreement and to send the agreement to Congress for review.
- UAE FTA: Next negotiations tentatively scheduled for November 2005 in United States. No date set for conclusion of the FTA.
- Thailand FTA: Most recent round of negotiations took place week of November 14th in London. The next round could possibly take place in Thailand in early 2006.
The NAIC has established a regulatory dialogue with the European Commission and member country regulators, to better understand each other’s system of regulation. While the talks were initially focused on exchanging information on our respective regulatory systems, ultimately both sides hope these talks will lead to a reduction in regulatory impediments to cross-border insurance business by U.S. and European firms. Dialogues have been held for several years, and dovetail with the Financial Market Dialogues held between US and European banking and securities regulators. The NAIC discussions include European “supervisors” from the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and EU “regulators” from the European Insurance and Occupational Pensions Committee (EIOPC), together with representatives of the European Commission Internal Markets Directorate General – Insurance Unit.

At the most recent Insurance Dialogue held on October 22, 2005, around the IAIS Annual Meeting in Vienna, Austria, NAIC and the EU representatives from the European Commission and CEIOPS discussed a variety of topics.

- “Solvency II”, Solvency Developments: the EU has embarked on a major reform of its scheme for regulating insurer solvency to incorporate risk-based elements into capital requirements. With a proposed framework Directive planned to be completed by mid-2007, CEIOPS has organized a series of “calls for advice” on technical aspects of the proposal. At the Dialogue, the NAIC agreed to follow up with comments on CEIOPS’ answers to the 2d Call for Advice which was released the week after the Dialogue. The EU has urged the NAIC to share U.S. experience with its risk based capital system, and to comment on ways in which the new EU structure might be made more compatible with U.S. capital adequacy rules, which could benefit U.S. supervisors overseeing the activities of EU insurers in the U.S. On a critical regulatory issue, while the EU is undecided on the extent of a prescriptive approach toward the use by insurance firms of internal models in the solvency regime, they are already encouraging insurance groups to use them.

- Insurance Groups: To address a requirement of the EU’s Directive on Supplementary Supervision of Insurance Groups, the NAIC and EU have crafted a model Memorandum of Understanding (MOU) on the exchange of confidential supervisory information on members of insurance groups (defined as holding companies with only insurance entities in the family.) After several meetings and conference calls on a draft MOU, the two sides appear ready to endorse the model MOU, pending a final round of comments in Europe. If agreed, the MOU will be adopted by the NAIC International (G) Committee in Chicago in December 2005. It will then be presented for acceptance by CEIOPS, followed then by efforts to put in contact regulators of relevant parents and group members of transatlantic insurers in the EU and U.S. so that they may enter into bilateral information sharing arrangements based on the model MOU.

- Reinsurance: The EU announced at the Dialogue that their final Reinsurance Directive was scheduled for adoption by the EU Parliament in November, leading to a timeline that requires adoption in all member states by November 2007, with elimination of collateral requirements in countries with current rules by November 2008. The Dialogue also included extensive discussion of the NAIC’s “white paper” on reinsurance collateral which is targeted for adoption at the NAIC Winter Meeting in Chicago. From there, NAIC members expressed their intention of presenting the paper to the full NAIC membership for discussion in February 2006. That discussion could be the vehicle for the NAIC agreeing to modify current U.S. rules requiring collateral for unauthorized reinsurers, including unlicensed EU firms. The Head of Unit for Insurance, Karel van Hulle, had prepared a draft “roadmap” for resolution of the U.S. collateral “problem”, however the EU agreed to await the outcome of the NAIC meeting in February before further talks took place on the “roadmap.” EU insurance regulators feel continuing political pressure to press the NAIC for change,
including a recent demands from the EU’s Trade Directorate requesting relief for European reinsurers, and related comments from Peter Skinner (UK) on the floor of the European Parliament.

- **IAIS Cooperation:** At the Dialogue, US and EU representatives also discussed better coordination on IAIS matters, and increasing efficiency of meetings. The EU opposed language that would call for IAIS committee chairs to be “encouraged” to open meetings to participation by Observers from the private sector, preferring instead for the IAIS statement on the issue to make clear the chairs “can” open meetings.

- **TRIA, Asbestos legislation:** The NAIC gave updates on draft federal legislation on terrorism insurance and asbestos liability – both issues of concern to EU regulators because of the potential impact of new laws in these areas on EU insurers. NAIC agreed to provide updates as developments occur, including arranging conference calls for discussion as these issues progress in Congress.

The next NAIC-EU Dialogue is scheduled for March 3, 2006, prior to the NAIC Spring National Meeting in Orlando.

**Delegation from EU Parliament Visits U.S.**  
*Meets with New York Department of Insurance and Commissioners from Virginia and Kansas*

A delegation from the European Parliament met with Superintendent Mills (NY) and other members of the NY Department of Insurance staff on July 18, and then traveled to NAIC’s office in Washington, D.C. to meet with Commissioner Gross (VA) and Commissioner Praeger (KS). In New York, the meeting began with a discussion on US rules for reinsurance collateralization. The New York staff discussed the work of the NAIC’s Reinsurance Task Force and the Ad Hoc Collateralization Roundtable to address concerns with U.S. reinsurance regulation and explained the prudential reasons for the current collateralization rules in the US. The staff noted the development of a Reinsurance Task Force White Paper, which is expected to be finalized in December 2005. Another issue highlighted was international accounting standards, where the Europeans emphasized the need for convergence of international accounting rules. They gave examples of how a German reinsurer doing business in the U.S. had to maintain 3 different set of books, one for the U.S., one for the European Community and one for the German tax authorities.

The delegation was also asked about how the state insurance regulators intended to follow the developments in Europe with respect to the European Union’s (EU) **Solvency II** initiative. New York Department staff noted that NAIC members are very interested in **Solvency II** and that the insurance departments look forward to working with the EU as the initiaive progressed. In addition, New York staff described the National Insurance Producer Registry (NIPR), which is a public-private partnership supporting the work of the states and the NAIC in reengineering, streamlining and making uniform the insurance producer licensing process and ALERT. These tools are used to decrease the burden on a regulatory body. The EU Parliament representatives and the New York regulators ended their discussion with comments about the convergence of worldwide accounting standards, maintaining a competitive marketplace, the Terrorism Risk Insurance Act (TRIA), the proposed **SMART (State Modernization and Regulatory Transparency Act)** legislation, and New York’s efforts aimed at achieving uniformity and consistency in insurance regulation in the U.S.

During the EU Parliament representatives’ visit to Washington, D.C., Commissioner Praeger gave an overview of the U.S. system of insurance regulation and how the NAIC works, while Commissioner Gross focused his comments on EU-US cooperation including the regular dialogue between U.S. and EU insurance supervisors. The delegation posed questions about the differences between the U.S. and EU systems, which have been more apparent after greater cooperation over the past several years. Although there are quite a few differences between the regulatory systems, the meetings so far have focused on whether there are ways to mitigate or reduce them. The meeting with the EU delegation reasserted the NAIC members’ commitment to working with the EU on their significant insurance projects, especially to provide input on **Solvency II**; to continue to work together on the work of the IAIS Subcommittees on Solvency, Reinsurance, and Insurance Contracts (Accounting); and to reach an appropriate resolution of the call for changes in the US credit for reinsurance rules.
Chinese Delegation Visits the NAIC’s Washington Office
Regulators from People’s Bank of China and Office of Public Sector Reform Learn about US Regulatory System

As part of their trip to the U.S., a delegation from the People’s Bank of China (PBOC) and the Office of Public Sector Reform visited the NAIC’s Washington office on August 16. Apart from NAIC, the delegation also met with officials from the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), Securities Exchange Commissioner (SEC) and several commercial banks. The State Commission Office for Public Sector Reform is a standing and coordinating organ responsible for the overall structure of administrative system and organizational reform throughout China. Its main responsibilities are:

1. To undertake research and investigation programs into master-plans for administrative system and organizational structural reform;
2. To review institutional reform plans for central ministries and commissions as well as provinces, autonomous regions and municipalities directly under the State Council;
3. To administer the functions, internal organs and quota for staff members of ministries and commissions, provide coordination in the area of power sharing and functional demarcation between central government organizations as well as between central government and local governments;
4. To review and ratify the setting up of organizations as well as approving the personnel quotas for governments of provinces, autonomous regions and municipalities directly under the State Council; and the total number of staff to be employed for all levels of government organs;
5. To formulate organizational reform plans for non-profit-making public institutions, review and approve restructuring plans of non-profit public institutions directly affiliated to the State Council and provide guidance and coordination for those non-profit public institutions affiliated to different layers of local government;
6. To formulate relevant policies and regulations.

The head of the delegation was the Director-General of the department responsible for China's financial sector. The meeting was requested to learn more about the U.S. financial regulation and supervision system. NAIC staff presented an overview of the NAIC, highlighting its work with China. The delegation expressed interest in understanding how the NAIC’s officers were chosen, why some Commissioners were elected and others appointed, and how an insurance company can get licensed in more than one state. In addition, material was distributed that: 1) gave an overview of financial regulatory and supervisory authorities; 2) explained the functions and operations of each supervisory body and coordination mechanism among them; 3) provided an assessment of the current financial regulatory and supervisory framework, and an approach to ensure comprehensive and effective supervision on mixed financial services institutions and avoiding a "vacuum" in supervision.

PBOC Returns to NAIC’s Washington Office
Members from the People’s Bank of China (PBC) again visited the NAIC’s Washington, DC office on November 15 and were presented with an overview of various aspects of U.S. regulation and the NAIC. They were particularly interested in the investment of insurance funds. Other areas of interest included the following: the supervisory criteria on insurance companies' solvency; the basis and criteria for the regulatory or judicial authority to take over and dispose of unhealthy insurance companies; the ways to dispose a high-risk insurance company; how to protect the policy-holder in the process of high-risk insurance company disposition; the management and operation of insurance guarantee funds in the U.S.
In Brief

Joint Forum Update
The Joint Forum met in June 2005 in the Netherlands and again in Washington, D.C. in November. A paper on market and regulatory differences was completed, while work continued on regulation of liquidity risk across financial sectors. Drafting of high-level principles on business continuity is ongoing. The NAIC is represented at these meetings by Florida’s Commissioner of Insurance Regulation, Kevin McCarty.

Financial Stability Forum Meeting in London
As Chair of the IAIS Executive Committee, Superintendent Alessandro Iuppa participated in meetings of the Financial Stability Forum on September 8-9 in London and in Mexico City in November 16. Among the insurance-related issues discussed were publication of the IAIS paper on finite risk reinsurance and the preparation of an update to the report on the global reinsurance market by the IAIS Reinsurance Transparency Working Group.

President Koken Gives Speech in Buenos Aires, Argentina
President Koken participated in an IAIS-ASSAL-FIDES meeting in Argentina, where she delivered a presentation on Risk Based Supervision. ASSAL is the association of Latin America’s insurance supervisors. Commissioner Koken’s participation in the ASSAL event was an important component of the NAIC’s outreach to regulators in the Western Hemisphere as part of the regulatory cooperation activities. The NAIC has been working closely with the Puerto Rico Department of Insurance, which is a member of both the NAIC and ASSAL and a valuable partner in this regional cooperation among insurance supervisors.

UPDATE: IAIS Committees and Subcommittees

IAIS Committee Meetings/Annual Conference
October 16-21, 2005
Vienna, Austria

The IAIS Committee meetings and Annual Conference were held October 16-21 in Vienna, Austria. The NAIC was represented by Commissioners Al Iuppa, Diane Koken, Al Gross, Julie Bowler, Kevin McCarty, and Eric Serna; Washington, DC DOI Staff, Gordon Cloney; and NAIC staff - Rob Esson, Bryan Fuller, Lauren Scott, and George Brady. The next IAIS committee meetings will take place: Basel, Switzerland from February 12-16, 2006.

The following is a summary of highlights of the Committee meetings, Annual Conference and General Meeting held October 16-21, 2005:

Annual General Meeting of the Members
Approved the following papers:

- A New Framework for Insurance Supervision and the Cornerstones for the Formulation of Regulatory Financial Requirements;
- A Guidance Paper on Risk Transfer, disclosure and analysis of finite reinsurance;
- A Guidance Paper on Combating the Misuse of insurers for illicit purposes;
- The Supervisory standard on fit and proper requirements and assessment for insurers

Industry Dialogue (Annual Conference)
This session provided Observer members from the private sector with an opportunity to raise issues.

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Noted that conference speakers were mostly from the EU, and suggested creating a process for determining future IAIS panels that would ensure proper geographical balance
- Asked for greater time to review papers/materials throughout the paper drafting process
- Suggested topics for 2006 Annual Conference
- Stated that much of the IAIS materials are too advanced for developing countries, and encouraged more grassroots education opportunities
- Praised the new email alert system as a tool for keeping abreast of the most updated information
- Recommended a new numbering system for documents
- Encouraged IAIS to get more involved with International Accounting Standards Board’s (IASB) plans to develop rules for small/medium-sized companies because insurance is exempted from application in many areas.

Executive Committee (Superintendent Iuppa, chair)
- Endorsed documents presented to the General Meeting
- Discussed cooperation with the International Organization of Pension Supervisors (IOPS); possible cooperation with the World Bank for the proposed Wharton School certification program using the training modules developed under the “core curriculum” project; and preparation for the 2006 Annual Conference in Beijing (CIRC representatives gave an update on the progress of the conference)
- NAIC highlighted concerns about “observer participation” language included in a formal IAIS policy statement, and will send comments to change the current language.

Technical Committee (NAIC representative: Superintendent Iuppa)
- Approved several papers, including the papers presented for approval at the General Meeting.
- Presented papers on captive issues and Islamic “takaful” issues.
- Received working party reports and held discussions on the survey on “key risks and trends” and the survey on impediments to information exchange.
- Held a Roundtable discussion on potential conflicts between the activities of prudential and other regulators.

Budget Committee (Superintendent Iuppa)
- Agreed to approve the IAIS 2006 Budget and fees and discussed the IAIS reserve policy on secondments and third party support
- Discussed need for secondments to be highly screened to ensure they are not a burden on the IAIS staff and instead are added value for the organization
- Encouraged all members to send potential applicants
- Discussed whether or not to ask the BIS for more funding - group felt it was not appropriate at this time

Regional Coordination Subcommittee
- Focused on educational initiatives, such as the Core Curriculum project, recent and upcoming seminars and regional coordination.
- IAIS secretariat reported on the survey of training needs and the draft guidelines for IAIS training seminars

Reinsurance and Other Forms of Risk Transfer Subcommittee (Commissioner Bowler)
- Approved the Guidance paper on Risk Transfer, Disclosure and Analysis of Finite Reinsurance outlining key areas that supervisors should focus on.

Reinsurance Mutual Recognition Subgroup
- Reinsurance Mutual Recognition Subgroup met in Vienna on 16 October for a general update.

Reinsurance Transparency Working Group (Commissioner Bowler)
- Discussed progress in preparing the second Global Reinsurance Market Report, based upon data for the financial year 2004, which is due for publication before the year-end.
- Discussed preliminary drafts of certain sections of the forthcoming report, with a new section on stress testing
Financial Conglomerates Subcommittee
- Papers presented on Compilation of IAIS principles, standards, and guidance issued on cross border and cross sector information cooperation and exchange and the Report on responses to Survey on impediments to information exchange among insurance supervisors.
- Important discussion with respect to group supervision, keeping in mind the specificities of the insurance sector
  - Mandate and work plan were finalized.
- Work will include further analysis of impediments to information exchange and developing a multilateral MoU to include cross-border co-operation, amid concerns raised that MOU will not solve all problems
- Discussed importance of insurance voice in Joint Forum

Subcommittee on Solvency and Actuarial Issues (Commissioner Gross) Update from August 2005 Meeting
- Adopted Framework and Cornerstones papers, which sketch out underpinnings of an international solvency regime
- Roadmap Paper exposed, which provides details on the timing of various deliverables
- Structure Paper will be written over next 6 months to bring all of the threads together
- Work is aimed toward achieving “convergence” in supervision of insurer solvency

Implementation Subcommittee (formerly Emerging Markets Committee/Education Subcommittee)
- Discussed report of Insurance Laws, Regulations, Practices & Standards Subcommittee; the Core Curriculum Project; progress of ICP Self Assessment exercise 2004; micro insurance; and, reports from international organizations on training and technical assistance.
- Discussions also took place on implementation issues in emerging markets with special reference to accounting, solvency and reinsurance.
- NAIC highlighted the development of a formal International Intern Training Program

Core Curriculum Task Force (Chair, Carl Hiralel - Canada)
- Discussed 2 proposals: 1) FSI connect project and the Wharton School Project
  - Note: Wharton School of Business and the World Bank gave a presentation and engaged in a discussion about the proposal for a Wharton School for a certification program based on the Core-Curriculum modules.
- Decision was made to proceed with the FSI Connect proposal, and the task force as well as the Executive Committee was asked to provide comments and feedback on the proposal by Nov. 4.
- Progress report on the Core Curriculum Project included the nomination and approval of authors and reviewers, and the updates on copyright status were discussed and reviewed.

Insurance Fraud Subcommittee (Chair, Peter van den Broeke/meeting chair - Mike Thorpe – FSA/UK)
- Highlighted completed work on updating the Supervisory Standard on Fit and Proper Requirements and Assessment for Insurers and a Guidance Paper on Combating the Use of Insurers and Illicit Purposes (adopted at General Meeting).
- Discussed current paper Fraud on Insurers including claims fraud, intermediary fraud and internal fraud being drafted by Guernsey, Netherlands, UK, US; the subcommittee will ask industry for comments; estimated completion summer 2006
- Reported on launch of the NAIC’s on-line fraud reporting system and NAIC’s draft Guidelines for International Antifraud Cooperation. IAIS members are interested in remaining advised of this project.

Task Force on the Assessment & Implementation of the IAIS Insurance Core Principles
(Superintendent Iuppa, chair)
- Preliminary observations of the ICP Self-Assessment exercise 2004 were shared with the members
- Final analysis to be completed February 2006.

Insurance Laws, Regulations, Practices & Standards Subcommittee
- Focused on presentations on Insurance Laws and Reinsurers Databases and the Report on Laws, Regulations and Practices in Member jurisdictions
Enhanced Disclosure Subcommittee (Oct 6-7, Bonn, Germany)
- Discussed a possible structure of new standard on disclosure concerning technical performance and risks for life insurers.
- To identify the common factors in reporting business figures and disclosure requirements, each representative from the subcommittee made presentations on main characteristics of their life insurance business.

Insurance Contracts (Accounting) Subcommittee (Rob Esson (NAIC) - chair)
- Update members on developments arising from recent meetings of the International Accounting Standards Board (IASB) and its Insurance Working Group, and on the work plan of the group.
- Started to work a second comment paper on the Valuation of Insurance Liabilities for General–Purpose Accounting, as further input to Phase II of the IASB’s Insurance Contracts Project.

2005 NAIC International Calendar
(Bold denotes active NAIC participation)

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<tr>
<td>June 10</td>
<td>NAIC National Meeting</td>
<td>Washington, DC</td>
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<td>June 10-14</td>
<td>Regional Seminar on Capital and Basel II</td>
<td>Vienna, Austria</td>
<td>FSI JVI</td>
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<td>June 29</td>
<td>CEIOPS Meeting</td>
<td>Frankfurt, Germany</td>
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<td>July 13-16</td>
<td>NCOIL Summer Meeting</td>
<td>Boston, Mass</td>
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<td>Oct. 16-21</td>
<td>IAIS Working Party Meetings and Annual Conference</td>
<td>Beijing, China</td>
<td>IAIS</td>
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<td>Oct. 25</td>
<td>CEIOPS Meeting</td>
<td>Frankfurt, Germany</td>
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<td>Nov. 16-19</td>
<td>NCOIL Annual Meeting</td>
<td>San Diego, CA</td>
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<td>December 3-6</td>
<td>NAIC Winter National Meeting</td>
<td>Chicago, IL (USA)</td>
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<td>December 13-18</td>
<td>The Sixth WTO Ministerial Conference</td>
<td>Hong Kong, China</td>
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<tr>
<td>January 16-18</td>
<td>IAIS Insurance Contracts Subcommittee</td>
<td>Brussels Belgium</td>
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<td>January 19-20</td>
<td>IAIS Enhanced Disclosure Subcommittee Meeting</td>
<td>Paris, France</td>
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<td>Feb. 2-3</td>
<td>8th Meeting of the Geneva Association's Amsterdam Circle of Chief Economists (ACCE)</td>
<td>Amsterdam</td>
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<td>Feb. 14-17</td>
<td>IAIS Working Party Meetings</td>
<td>Basel, Switzerland</td>
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<td>February 20</td>
<td>IASB Meeting</td>
<td>London, England</td>
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<tr>
<td>February 20</td>
<td>Joint Forum</td>
<td>Hong Kong</td>
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<td>February 20-22</td>
<td>IAIS Solvency Subcommittee</td>
<td>Basel, Switzerland</td>
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<td>February 22</td>
<td>CEIOPS Meeting</td>
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<td>FEBRUARY 23-24</td>
<td><strong>NAIC INTERNATIONAL INSURANCE SYMPOSIUM</strong></td>
<td>WASHINGTON, DC</td>
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<td></td>
<td>“Meeting Tomorrow’s Global Challenges Today”</td>
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<td>March 3</td>
<td>EU-US Dialogue [tent.]</td>
<td>Orlando, Florida</td>
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<td>March 4</td>
<td>NAIC Spring National Meeting</td>
<td>Orlando, Florida</td>
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<td>March 17</td>
<td>Financial Stability Forum</td>
<td>Sydney, Australia</td>
<td>FSF</td>
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<td>March 30-31</td>
<td>Progres Seminar</td>
<td>Geneva</td>
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<tr>
<td>April 11-12</td>
<td>IAIS Enhanced Disclosure Subcommittee Meeting</td>
<td>Guernsey</td>
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<th>Date</th>
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<tr>
<td>May 3-5</td>
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<td>Rio de Janeiro, Brazil</td>
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<td>May 17-20</td>
<td>General Assembly of the Geneva Association</td>
<td>Munich</td>
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<td>May 29-June 1</td>
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<td>June 10</td>
<td><strong>NAIC National Meeting</strong></td>
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<td>Regional Seminar on Capital and Basel II</td>
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<td>June 29</td>
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<td>July 13-16</td>
<td><strong>NCOIL Summer Meeting</strong></td>
<td>Boston, Mass</td>
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<td>August 30-31</td>
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<td>[Venue TBD]</td>
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<td>Sept. 18-20</td>
<td>Seminar of the European Group of Insurance</td>
<td>Barcelona</td>
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<td>Sept 19-20</td>
<td>2006 Annual Meetings of the International</td>
<td>Singapore</td>
<td>WTO</td>
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<td>Monetary Fund and the World Bank Group</td>
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<td>Oct. 16-21</td>
<td>**IAIS Working Party Meetings and Annual</td>
<td>Beijing, China</td>
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<td>Oct. 25</td>
<td>CEIOPS Meeting</td>
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<td>Nov. 16-19</td>
<td><strong>NCOIL Annual Meeting</strong></td>
<td>New Orleans, LA</td>
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**2007**

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<tr>
<td>Feb. 12-15 2007</td>
<td><strong>IAIS Working Party Meetings</strong></td>
<td>Dubai, UAE</td>
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<td>May 28-31 2007</td>
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<td>Oct. 5-12 2007</td>
<td><strong>IAIS Annual Meeting and Conference</strong></td>
<td>Miami, Florida</td>
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[List of Abbreviations]

APEC          Asia Pacific Economic Cooperation  
ASEAN         Association of South East Asian Nations  
ASSAL         Association of Latin American Insurance Supervisors  
BIS           Bank for International Settlements  
CEIOPS        Committee of European Insurance and Occupational Pensions Supervisors  
EU            European Union  
FATF          Financial Action Task Force  
FSF           Financial Stability Forum  
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  
NAFTA         North American Free Trade Agreement  
NCOIL         National Conference of Insurance Legislators  
OECD          Organization for Economic Cooperation and Development  
UNCTAD        United Nations Commission on Trade and Development  
WTO           World Trade Organization
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