

# INTERNATIONAL REPORT

**NAIC**  
National Association of  
Insurance Commissioners

& The CENTER  
for INSURANCE  
POLICY  
and RESEARCH

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

The U.S. financial regulatory system, including insurance, will be assessed in 2009 under what is called the Financial Sector Assessment Program (FSAP), a joint International Monetary Fund (IMF) and World Bank program. A country's insurance sector will be assessed in large part according to its observance of the International Association of Insurance Supervisors (IAIS) Insurance Core Principles including an analysis of insurance oversight practices across a few identified states (not yet determined.) Supported by experts from a range of national agencies and standard-setting bodies, the FSAP 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 give rise to Reports on Observance of Standards and Codes (ROSCs) a key component of the FSAP. The FSAP also forms the basis of Financial System Stability Assessments (FSSAs), in which IMF staff addresses 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. This FSSA is expected to be finalized and published in June/July 2010. At this point the IMF appears interested in including one or more insurance companies in the FSAP macro-stress testing however stress testing methodology for the insurance sector would still need to be agreed to.

As part of the preparatory work for the FSAP, NAIC staff is currently updating a 2004 IAIS Insurance Core Principles Self Assessment Questionnaire to assess the level of observance/compliance with the IAIS Insurance Core Principles. The current timetable calls for the Self Assessment to be due this July. FSAP field work is expected to take place for 2-3 weeks in October, 2009 and then for another 2-3 weeks in December/January 2009/2010.

The NAIC has been in regular contact with the Treasury Department (the lead US regulator in the FSAP process and also responsible for negotiating the scope of the US FSAP with the IMF) to minimize the resource demands of the FSAP on the US insurance sector.

The NAIC has formed an FSAP Review group consisting of a group of state regulators and NAIC technical and legal staff to oversee this process. Ray Spudeck (FL) who has significant experience with

the FSAP process will be the Chair of this group which will be reporting directly to the International Insurance Relations Leadership Group (IIRLG). This group is tasked with overseeing the NAIC's response to the FSAP which would include recommendations on stress testing for an insurer, assisting the states to prepare for their participation in the FSAP, reviewing and responding to any additional FSAP questionnaires, reviewing the updated IAIS Self-Assessment for consistency and messaging in addition to technical content, coordinating NAIC input on a bibliography and documentation for a possible off-site review by the IMF (involving among others things issues of confidentiality), and commenting on draft reports prepared by the IMF/World Bank.

This FSAP review group will manage the deliverables for the FSAP process and discuss with a representative of the IMF what to expect with regard to the FSAP process going forward.

## **G20 WORKING GROUP FINAL REPORTS**

The G20 (group of 20 heads of state of the 20 largest global economies) 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) established four working groups which were given the mandate to address these general principles. To date, NAIC staff has focused on WG1 - enhancing sound regulation and strengthening transparency (chaired by Germany and Mexico with Treasury as the US representative) and WG2 -reinforcing international cooperation and promoting integrity in financial markets (chaired by Canada and India with the Federal Reserve as the US representative).

The G20 Working Group 1 on *Enhancing Sound Regulation & Strengthening Transparency* issued its Final Report on March 25, 2009. Below are some examples of G20 WG1 recommendations and timelines relevant to U.S. insurance regulators and the International Association of Insurance Supervisors (IAIS):

<b>Topic</b>	<b>Recommendation:</b>	<b>Responsibility/ Timeline</b>
<b>System-wide Approach to Financial Regulation</b>	<b><u>Recommendation:</u></b> The mandates of all national financial regulators, and oversight authorities, and of all standard setters (IAIS) should take account of financial <u>system</u> stability.	<b>Responsibility lies with among others:</b> national financial regulators and oversight authorities and IAIS  <b>Timeline:</b> To be completed within 2 years
	<b><u>Recommendation:</u></b> Within each country, there should be an effective mechanism for appropriate domestic financial sector	<b>Responsibility lies with among others:</b> Financial regulators and supervisors

	<p>authorities to jointly assess the systemic risks across the financial system and to co-ordinate the domestic policy response to limit the build-up in systemic risk.</p> <p><b><u>Recommendation:</u></b> Financial sector authorities should have suitable macro prudential tools to address systemic vulnerabilities. In order to achieve consistency globally, international bodies and standard setters – such as the IAIS and others will develop such tools and provide national authorities, which are responsible for their implementation, with options.</p>	<p><b>Timeline:</b> To be completed within 2 years</p> <p><b>Responsibility lies with among others:</b> National authorities and IAIS</p> <p><b>Timeline for tool development:</b> Expanded FSF to provide an annual report on the suite of tools under development by its members, with an Interim Report in 2009.</p> <p><b>Timeline for tool implementation:</b> On an ongoing basis</p>
<b>Scope of Regulation</b>	<p><b><u>Recommendation:</u></b> All systemically important financial institutions, markets and instruments should be subject to an appropriate degree of regulation and oversight, consistently applied and proportionate to their local and global systemic importance. In order to determine the appropriate degree of regulation or oversight, national authorities should determine appropriate mechanisms for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for their failure or severe stress to contribute to systemic risk.</p> <p><b><u>Recommendation:</u></b> Large complex financial institutions require particularly robust oversight given their systemic importance, which arises in part from their size and interconnectedness (or correlation) with other institutions, and from their influence on markets.</p>	<p><b>Responsibility lies with among others:</b> National authorities and IAIS</p> <p><b>Timeline:</b> Two stages: process to obtain information underway in Fall 2009, with system in place within 2 years</p> <p><b>Responsibility:</b> Prudential supervisors</p> <p><b>Timeline:</b> ongoing</p>
<b>Oversight of Credit Rating Agencies</b>	<p><b><u>Recommendation:</u></b> All credit rating agencies whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration and that requires compliance with the substance of the IOSCO Code of Conduct Fundamentals.</p>	<p><b>Responsibility lies with among others:</b> National authorities</p> <p><b>Timeline:</b> To be completed within 2 years</p>

<p><b>Transparent Assessment of Regulatory Regimes</b></p>	<p><b><u>Recommendation:</u></b> All G20 members should commit to undertake a Financial Sector Assessment Program (FSAP) report and to publish its conclusions. To improve the FSAP process, the basis upon which countries are assessed should be expanded to encompass macro prudential oversight, the scope of regulation, and supervisory oversight of the influence of the structure of compensation schemes at financial institutions on risk taking.</p>	<p><b>Responsibility lies with among others:</b> Finance Ministries, (NAIC is currently involved)</p>
<p><b>Infrastructure for OTC Derivatives</b></p>	<p><b><u>Recommendation:</u></b> Financial institutions should continue work to strengthen the infrastructure supporting OTC derivatives markets. For credit derivatives, this includes standardizing contracts to facilitate central counterparty clearing of eligible contracts. National authorities should enhance incentives as needed for the use of central counterparties to clear OTC credit derivatives.</p>	<p><b>Responsibility lies with among others:</b> Financial institutions, prudential supervisors and other authorities  <b>Timeline:</b> To be completed within two years; Industry to prepare an action plan on standardization in the Fall 2009</p>
<p><b>Compensation Schemes and Risk Management</b></p>	<p><b><u>Recommendation:</u></b> Large financial institutions should ensure that their compensation frameworks are consistent with their long-term goals and with prudent risk-taking. As such, the Boards of Directors of financial institutions should set clear lines of responsibility and accountability throughout their organizations to ensure that the design and operation of its remuneration system supports the firm’s goals, including its overall risk tolerance.</p> <p><b><u>Recommendation:</u></b> In order to promote incentives for prudent risk taking, each financial institution must review its compensation framework to ensure it follows sound practice principles developed by the FSF. These include the need for remuneration systems to provide incentives consistent with the firm’s long-term goals, to be adjusted for the risk taken by employees, and for the variable components of compensation to vary symmetrically according to performance.</p>	<p><b>Responsibility:</b> Boards of Directors of financial institutions  <b>Timeline:</b> Fall 2009  <b>Monitoring:</b> Prudential supervisors or other relevant national authorities</p> <p><b>Responsibility:</b> Financial institutions  <b>Timeline:</b> Fall 2009  <b>Monitoring:</b> Prudential supervisors or other relevant national authorities</p>
<p><b>Enforcement</b></p>	<p><b><u>Recommendation:</u></b> The effective enforcement of regulation should be a priority of all financial regulators. As such, national financial regulators and oversight authorities should ensure the effectiveness of their</p>	<p><b>Responsibility:</b> Prudential supervisors and other authorities  <b>Timeline:</b> To be completed within 2 years</p>

	enforcement activities and that appropriate resources are available for monitoring the application of regulation and for prosecuting offenders. The enforcement function should be independent from other activities or from external influences.	
<b>Technical Assistance and Capacity Building in Emerging Market Economies</b>	<b><u>Recommendation:</u></b> Recognizing that the degree of development of financial systems varies considerably across the G20, national authorities should commit to assist each other in enhancing their capacity to strengthen regulatory frameworks. In addition, the IAIS should have the appropriate capacity to provide technical assistance. The needs of emerging market economies deserve particular consideration.	<b>Responsibility:</b> Finance Ministries, prudential supervisors and other authorities, IAIS, IOSCO, BCBS <b>Timeline:</b> Ongoing
<b>Procyclicality</b>	<b><u>Recommendation:</u></b> Accounting standard setters should strengthen accounting recognition of loan loss provisions by considering alternative approaches for recognizing and measuring loan losses that incorporate a broader range of available credit information	<b>Responsibility:</b> Accounting standard setters, BCBS <b>Timeline for development-</b> Strategic plan Fall 2009
<b>Transparency</b>	<b><u>Recommendation:</u></b> Accounting standard setters should accelerate efforts to reduce the complexity of accounting standards for financial instruments and enhance presentation standards to allow the users of financial statements to better assess the uncertainty surrounding the valuation of financial instruments.	<b>Responsibility:</b> Accounting standard setters <b>Timeline-</b> Fall 2009

The G20 Working Group 2 on *Reinforcing International Cooperation and Promoting Integrity in Financial Markets* issued its Final Report on March 27, 2009. Below are some of the key issues, recommendations, responsibilities and timelines relevant for U.S. state insurance regulators and the International Association of Insurance Supervisors (IAIS):

### **I. Regulatory and supervisory cooperation:**

#### ***Immediate actions:***

- A. **Supervisory colleges:** *Supervisors should collaborate to establish supervisory colleges for all major cross-border financial institutions.*

**Working Group Recommendations:** The main focus of the colleges should be on supervisory aspects including comprehensive assessments of risks and their potential macro-impact of the financial institution by the home supervisor as well as the perspective of its business strategy.

- B. Regulatory Cooperation and Information sharing: *National and regional authorities should work to promote information sharing about domestic and cross-border threats to market stability and ensure that national (or regional, where applicable) legal provisions are adequate to address these threats.*
- C. Cross-border crisis management: *Regulators should take all steps to strengthen cross-border crisis arrangements including on cooperation and communication with each other and to develop comprehensive contact lists and conduct simulation exercises as appropriate.*  
Working Group assessment and recommendations: The FSF (now FSB) has agreed to a set of principles for cross-border cooperation of crisis management. The Working Group recommends that national authorities commit to implementing these principles which cover preparatory work in normal times, and appropriate sharing of information and cooperation in crisis times.<sup>1</sup>

***Medium- Term actions:***

- D. Resolution regimes and bankruptcy laws: *National and regional authorities should review resolution regimes and bankruptcy laws in light of recent experience to ensure that they permit an orderly wind-down of large complex cross-border financial institutions.*  
Working Group assessment and recommendations: Arrangements need to be considered for non-bank financial institutions (such as insurers) with cross-border activities that may be systemically important and large complex financial conglomerates.

**II. The Role of international bodies**

***Immediate Action***

- A. International standard setting bodies' membership: The G20 WG2 encourages the parent committees of the Joint Forum (including the IAIS) to consider expanding the Joint Forum's membership.

***Medium-term actions:***

- B. Regulatory responsiveness to financial innovation: *International standard setting bodies such as the IAIS, working with a broad range of economies and other appropriate bodies should ensure that regulatory policy makers are aware and able to respond rapidly to evolution and innovation in financial markets and products.*

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<sup>1</sup> This will involve home authorities, drawing on the work of colleges, leading cross border discussions involving supervisors, central banks etc. on issues and barriers that may arise when handling specific cross-border firms under severe stress.

### **III: Promoting market integrity**

#### **Medium term actions**

**Uncooperative and nontransparent jurisdictions that pose a risk of illicit financial activity-** *National and regional authorities should implement national and international measures that protect the global financial system from uncooperative and non transparent jurisdictions that pose risks of illicit financial activity.*

Working Group assessment and recommendations: Enhanced efforts to deal with uncooperative jurisdictions are needed in areas of securities regulation, market conduct and prudential supervision. The Working Group recommends encouraging the BCBS and the IAIS to review their approaches in the light of the objectives of prudential supervision.

### **SUPERVISORY COLLEGES**

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.

U.S. state insurance regulators participate in supervisory colleges for insurance related entities around the world including for example ING, Zurich, Aegon and Swiss Re. U.S. state insurance regulators have generally noted that their participation in supervisory colleges has been useful for sharing relevant current information and gaining a shared understanding of the risk profile of the group. Further, they have found it to be useful for having on hand the groups’ relevant regulator contact information for general updating purposes and for use in a potential crisis situation. U.S. state insurance regulators also participated in the *IAIS survey on Experience with Use of Supervisory Colleges for Insurance Groups* which was submitted at the end of April. However, since the IAIS survey did not provide the NAIC with the ability to adequately describe the various other vehicles of communication (outside of supervisory colleges) already in place amongst U.S. state insurance regulators in the United States, we attached an addendum describing these already existing cooperation and coordination mechanisms.

Further, several US state regulators (with administrative and staff support by the NAIC) are also convening a supervisory college for one insurance related entity with global insurance and reinsurance operations and identified by the Financial Stability Forum (now the Financial Stability Board or FSB) as an entity which could benefit from coordinated supervision. The first meeting of this supervisory college took place in April and its members included various U.S. states and foreign regulators. The focus of the meeting was regarding procedural matters related to governance, process, timelines and information sharing agreements, in addition to the expectations and goals of the supervisory college with the intent that discussion relative to substantive regulation is to take place at a later meeting. The intent is for this supervisory college to meet in person perhaps in conjunction with the NAIC winter meetings at the end of the year.

The NAIC will continue to evaluate the role of supervisory colleges and or 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.

## **NAIC INTERNATIONAL INSURANCE FORUM**

On Monday May 18<sup>th</sup> and Tuesday May 19<sup>th</sup> the NAIC hosted an International Insurance Forum in Washington DC. This two day event brought together more than 100 participants from the U.S. financial regulatory agencies (Treasury, OTS, and Federal Reserve Board), Capitol Hill, non-U.S. regulatory agencies, the private sector and academia.

The forum broke previous attendance records and was double the projected number of attendees. Participants heard from an excellent line up of speakers including one Chief Executive Officer of a Fortune 50 company, 3 Chief Risk Officers, and a Member of Congress. Participants also heard from over 30 other speakers and panelists including U.S. chief insurance regulators, international insurance regulators, and representatives from federal agencies and the private sector. The panel discussions were all moderated by NAIC Members, and keynote addresses were provided by Rep. Scott Garrett (R-NJ) and Sabeth Siddique (Federal Reserve Board).

The Forum raised awareness of the issues in the global insurance marketplace for the industry and regulatory community and explored recent and continuing developments and progress in international insurance regulation and the global financial services markets.

Guests were welcomed with an opening address from NAIC President, Commissioner Seigny and then an overview on the NAIC International Relations Priorities by Commissioner Praeger and NAIC International Counsel, George Brady. Other topics included Establishing Sound Regulatory Practices in Global Marketplaces: U.S. Insurance Regulators' approach & Alternate approaches around the world, where NAIC Chief Executive Officer Terri Vaughan led a lively discussion about the ongoing market volatility and various approaches to the conditions. Commissioner Gross moderated a panel on International Solvency Standards, with participation from David Oakden from Canada's Office of the Superintendent of Financial Institutions (OSFI) who presented an update on Canada's efforts to modernize their solvency standards.

Director Urias' panel on Global Regulatory Convergence was a very timely discussion about regulatory efficiency & rules-based vs. principle-based supervision and promoting sound markets. While moderating her panel on group supervision, Director Frohman underscored the importance of information sharing and cross-border regulatory cooperation in today's globalized economy. Commissioner McCarty provided his insights into the role of international organizations in crisis management and their shift toward a macro-prudential role. Commissioner Goldman led the discussion on reinsurance and a healthy exchange of views ensued among the panelists.

Commissioner Cline moderated the Promoting Sound Markets panel and participants heard from industry and USTR on the importance of liberalizing overseas markets to promote economic growth. Director McRaith who is spearheading the NAIC's participation in the IAIS Governance & Compliance Subcommittee led a discussion on Corporate Governance. Commissioner Voss concluded the two day forum with a wrap up session covering the most important topics discussed.

Comments from participants included "The speakers were very knowledgeable..." "Valuable program overall. All presenters offered useful information." We thank all of those who participated in the forum, and stay tuned for details on the next forum which will be in 2010.



## **NAIC MEETS WITH OFFICIALS FROM THE CENTRAL BANK OF THE REPUBLIC OF SAN MARINO**

On Wednesday April 22, NAIC International and Government Relations staff met with several individuals from the Central Bank of the Republic of San Marino (CBSM) to discuss issues relating to the US insurance regulatory system and the various proposals for regulatory reform of the US financial services sector and the NAIC position relating thereto. They were also interested in discussing international best practices and to explore the possibility of a regulatory exchange with the NAIC and/or entering into a memorandum of understanding of regulatory cooperation with the NAIC.

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

Twenty-six Brazilian Government officials who work in regulatory agencies met with NAIC staff on March 24. The Brazilian officials were in the U.S. to study the U.S. regulatory system from March 16 – March 27. 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.

## **NAIC MEETS WITH ARMENIAN INSURANCE COMPANY CHAIRMAN**

On April 10, NAIC Staff met with Mr. Navasard Khachatryan, Chairman of the board, ISG Insurance LLC (Armenia) under the auspices of the Department of State's International Visitor Leadership Program. He was visiting Washington, DC, to undertake a 5-day program that focused on the U.S. insurance system. He was very interested in learning more about the regulation of the U.S. insurance industry and policies in general, the legal environment and the mechanisms through which the U.S. regulates the insurance industry. We also explored the role and the work of the NAIC in the U.S.

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## **INTERNATIONAL TRADE UPDATE**

**WORLD TRADE ORGANIZATION (WTO)/GENERAL AGREEMENT ON TRADE IN SERVICES (GATS):** Ten days of talks on “clusters” of services were held at the beginning of April as part of the Doha round of General Agreement on Trade in Services (GATS) negotiations. These talks were held at the same time as regular WTO meetings on trade and financial services, specific commitments and domestic regulations. Dates have not yet been set for the next round of talks.

**PENDING PANAMANIAN, FREE TRADE AGREEMENT:** The White House appears to be putting off Congressional action on the US-Panama free trade agreement in favor of more pressing issues - like health care reform and climate change legislation, according to House Ways and Means Committee Chairman Charles Rangel. The Administration had earlier signaled it was close to working out labor and tax issues with Panama and was hoping to send the trade pact to Congress soon.

But Chairman Rangel told reporters recently that the White House seems to have put Panama aside so it can focus on big domestic issues. Even without a packed legislative agenda, Panama would face problems over Congressional concerns that it is a tax-haven country that allows US multinationals to escape from paying US taxes. The question of the country’s tax-haven status has prompted opposition among some House Democrats. That issue will have to be resolved before a vote on the trade pact could occur, according to Chairman Rangel.

## **NAIC WELCOMES SPRING INTERNATIONAL INTERNS**

*Chinese Taipei, Singapore, Republic of Srpska (Bosnia Herzegovina) Are First Time Participants*

In early May, the NAIC welcomed 9 interns to its International Intern Program, including regulators from Chinese Taipei (1), Egypt (2), Republic of Srpska (Bosnia Herzegovina) (1), Saudi Arabia (2), Singapore (1) and Thailand (2). The NAIC developed the program in 2004 to advance working relationships with foreign market regulators, emphasizing the exchange of regulatory techniques and technology.

With the completion of the 2009 spring program, a total of 80 interns from 19 countries have participated in the training program. To date, 22 U.S. jurisdictions have hosted these non-U.S. regulators, including: Alabama, Arkansas, California, Colorado, District of Columbia, Georgia, Hawaii, Illinois, Kentucky, Maryland, Massachusetts, Montana, Nebraska, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, Ohio, Texas, Washington and West Virginia.

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 jurisdictions for the spring 2009 program include Alabama, District of Columbia, New Jersey, New York, Puerto Rico and West Virginia. Puerto Rico is a first time host.

To enhance the experience of the interns and to expose them to the broader spectrum of the NAIC, the interns are attending our Summer National Meeting and will attend a variety of insurance related meetings to share experiences with other non-US regulators hosted by other states. The program concludes next week in Washington, DC with a debriefing program, a seminar on industry – regulatory 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.

### **Timeline for Fall 2009 program**

<p style="text-align: center;"><b>NAIC Headquarters, Kansas City, Missouri</b> Training: Dates: October 26– 30</p>
<p style="text-align: center;"><b>Host State—State Insurance Department</b> 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 style="text-align: center;"><b>NAIC National Meeting – San Francisco, CA</b> Dates: December 5 – 8</p>
<p style="text-align: center;"><b>Closing Activities - Washington, DC</b> Dates: December 9 – 11</p>

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

## **NAIC PARTICIPATES IN TRANSATLANTIC DIALOGUE**

*U.S. Chamber of Commerce Hosts Program on Insurance*

On March 31, members of the National Association of Insurance Commissioners (NAIC) stressed the importance of a global exchange of ideas and collaboration among the world's financial regulators during the *Transatlantic Insurance Market - Regulatory Frameworks & Reform Efforts Symposium* at the U.S. Chamber of Commerce in cooperation with BUSINESSEUROPE, ACLI, and CEA (European Insurance Association).

The event brought together more than one hundred U.S. and European insurance industry leaders, regulators, and legislators for discussions on regulatory frameworks governing insurance and how best to ensure their interoperability. It featured lively debate on the best approaches to insurance reform and regulation in light of the global economic crisis.

New Jersey Banking and Insurance Commissioner Steven M. Goldman, who also chairs the NAIC International Insurance Relations Committee, underscored the importance of maintaining an open dialogue with regulators from around the world to develop common international regulatory standards through the sharing of ideas and best practices. He also spoke about the success of U.S. insurance regulatory practices that have been crafted over the past 150 years. In addition, he described how the states work together through the NAIC to support widespread uniformity in state-based regulatory oversight.

Illinois Insurance Director Michael T. McRaith — who represents the NAIC on the cross-sectoral Joint Forum of the Basel Committee on Banking Supervision, the International Organization of Securities Commissions (IOSCO) and the International Association of Insurance Supervisors (IAIS) — discussed the need for U.S. regulatory reform to address regulatory weaknesses revealed by the current market stress.

NAIC President and New Hampshire Insurance Commissioner Roger Sevigny welcomed the opportunity to meet with European policymakers, regulators and industry representatives. He stressed the NAIC's objective of finding ways for U.S. and European insurance regulators to collaborate most effectively, not only in the day-to-day supervision of insurers with transatlantic operations, but also in the development of international regulatory standards.

Lengthy discussion centered around the European Union's recently agreed Solvency II regulatory framework and implications for the U.S. industry. Mr. van Hulle gave an overview of the EU directive, while Mr. Steffen explained the next steps in the process and further consideration in the coming months for the directive. Finally, Peter Skinner suggested in his remarks that the EU's reforms would inexorably spill over into U.S. regulatory changes, especially in light of language which would limit the consideration of "equivalence" to non-EU "third" countries – which could prevent the U.S. insurance regulatory system from meeting the standard.

In his remarks, U.S. Congressman Ed Royce addressed his belief in the need for optional federal charter legislation to in part address the regulatory compatibility concerns between the U.S. and the EU, and thanked the EU policymakers for their input on questions of U.S. regulatory reform. Mr. van Hulle had earlier been critical of U.S. regulators for submitting comments to the EU Council expressing some prudential concerns with proposed measures in Solvency II – including the level of reliance on internal

models and the effectiveness of enterprise risk management in light of early “lessons learned” from the market turbulence.

Congressman Paul Kanjorski, Chairman of the House Financial Services Subcommittee on Capital Markets, Insurance and Government-Sponsored Enterprises, gave the keynote address at the Symposium dinner. In a speech that touched on a range of issues entangled in the global economic crisis, Kanjorski stressed the interconnection between domestic and global concerns as well as the imperative need for cooperation in seeking solutions, and provided his thoughts on the Committee's current approach to regulatory reform.

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## **IAIS COMMITTEES AND SUBCOMMITTEES: UPDATE**

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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 will be held June 24 - 26, 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)]

- Held a conference call in May to discuss issues related to a Strategic Planning Initiative, which the NAIC has offered to chair.
- 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 regard to IAIS participation in the Financial Stability Board (formerly Financial Stability Forum) and the G20.
- Lengthy discussion about the New Focus Task Force and the shift of its work from the original mandate. NAIC vigorously opposed the direction of the report, and its unrealistic and unsupported focus on developing global capital benchmarks for internationally active insurers without further development of the IAIS body of standards and further analysis of current practices in group supervision. NAIC instead urged the IAIS to undertake a strategic planning initiative for a more comprehensive understanding and response to the challenges to the IAIS from outside organizations (eg., G20 and Financial Stability Board) and to the changing nature of demands from Members.
- Discussed the developments related to the Multilateral Memorandum of Understanding (MMoU). NAIC offered to identify experts who might be available to serve as “validators” for this project.
- Discussed plans for the 2009 (Brazil) & 2010 (Dubai) 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 conference in 2009 & 2010.

## **Technical Committee** [Commissioner Gross (VA), Chair]

- Met March 4 and 5 in Basel. Discussed the financial crisis and identified key risks and trends in light of events and reactions in various jurisdictions.
- Received a presentation by the BIS head of research and policy analysis on macroprudential regulation and cross-sectoral interlinkages.
- Observers' hearing was held focusing on supervision of insurance groups, accounting, solvency and liquidity.
- Reports were given on the draft issues paper on Corporate Governance and the Relationship between the Auditor and the Actuary, Group Solvency Assessment and the draft Standard and Guidance paper on Capital Resources.
- Reaffirmed the need for the Solvency and Insurance Contracts Subcommittees to coordinate their work on valuation issues through the Joint Working Group.

## **Financial Stability Task Force** [Commissioner Gross (VA)]

- Has met intermittently to discuss issues related to an IAIS response to reports from G20 Working Group 1 (enhancing sound regulation and strengthening transparency) and Working Group 2 (reinforcing international cooperation and promoting integrity in financial markets) 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.
  - Technical assistance.

## **Accounting Subcommittee** [Rob Esson (NAIC)]

- Met on 5/29 in Basel, Switzerland.
- Wanted to get a position on input to the Standards Advisory Council regarding the update to the Financial Instruments Standards.
- Europeans wanted a firm statement regarding a management intent basis - in clear contradiction to their positions on valuation. US refused a firm statement pending discussions at Insurance Contracts.
- Discussed the ICP process and endeavored to agree a way forward for input to the ICP Coordination Group.
- Considered comments on the actuary/auditor paper: the important US issues were (probably) reluctantly accepted by the Chair - the new draft is forthcoming.

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

- Met on 5/27 & 28 in Basel, Switzerland. Held major discussions on valuation and revenue recognition. There is a split of views on valuation: Europeans and Australia are very keen to get a standard issued utilizing market consistent economic value. The US questions the rush in light of forthcoming new standards on financial instruments and the desire previously promulgated by the IAIS for convergence with IFRS.
- A revenue recognition response was drafted that built upon the contract boundaries letter sent to the IASB in March.
- The subcommittee expects a very high workload over the next 6 months with responses required to the IASB's new Financial Instruments Standards.
- The Chair reported on the Financial Crisis Advisory Group meetings that he had attended on behalf of Commissioner Gross.

### **Governance and Compliance Subcommittee** [Director McRaith (IL)]

- Met in Amsterdam on May 6-7 to discuss draft of and comments to the Corporate Governance Issues Paper and provided input on proposed final draft of Issues Paper circulated following the Amsterdam meeting.
- Sent final draft of the Issues Paper to the IAIS Technical Committee for approval at the meeting in Chinese-Taipei on June 23-26.
- With a goal of completing its work by October 2010, commenced process of revising relevant IAIS insurance core principles and drafting standard and guidance papers on topics of licensing, fit and proper requirements for key functionaries and significant owners, corporate governance, remuneration, and internal governance of risk control.

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

- Met in Basel on May 25-27. Received updates from members on developments in group-wide supervision in their jurisdictions.
- Discussed the Guidance paper on the Role of a Supervisory College, the Guidance paper on the treatment of non-regulated entities, and the Guidance paper on equivalence assessment.
- Addressed the ICP Review and Coordination Process.
- Discussed further development of Group Supervision Framework (GSF).
- Reviewed draft teaching notes.
- Next meeting: Madrid in September 2009.
- Highlighted FSB and G20 matters.
- Discussed IAIS input on Joint Forum matters – preparation for June meetings and discussion of different workstreams.
  - NAIC agreed to assist in drafting of the Differentiated Nature and Scope of Regulation (Ray Spudeck).
- Presentation from FSB Secretariat on new structure, mandate and relevant work streams.

### **Insurance Fraud Subcommittee**

- Met in Paris on December 2-3 and discussed compilation of the fraud database survey and received updates from member jurisdictions.
- Begun 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.

### **Market Conduct Subcommittee**

- Met on May 19 & 20 in Guernsey and discussed a revision of ICPs 24 and 25. The group agreed to have outlines for the Standards and Guidance Papers by the July meeting.
- The next meeting will be in Basel on 22 July 2009.

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

- Met on April 21-23, 2009, in New York. The U.S. made a presentation on the Reinsurance Regulatory Modernization Framework Proposal and related legislative efforts, which was met with interest from the other countries present.
- *Survey on Market Access Requirements for Reinsurers Worldwide.* The Subcommittee approved a survey on market access for reinsurance companies. The results of the survey will be summarized into two categories, responses from supervisors and from other interested parties. The responses to the survey will be aggregated to provide for confidentiality, and will be posted in 6-8 weeks.
- *ICP, Standard and Guidance Paper.* Reinsurance Subcommittee is currently working on revisions to the IAIS Insurance Core Principles (ICP), Standards and Guidance papers on reinsurance and other forms of risk transfer. This process was undertaken in light of a new structure and format for IAIS ICPs and supervisory papers. The current plan is to have these supervisory papers completed by October 2010.
- *Global Reinsurance Market Report (GRMR) Mid-Year Edition.* The Subcommittee is currently working on a paper on insurance securitization, for both life and non-life products. It was decided to split the paper along two elements—one of a current and topical nature that would be used for the mid-year GRMR report, and the other in the nature of a guidance paper to be used as other supervisory papers produced by the Subcommittee.
- *Mutual Recognition.* There were continued discussions on the current supervisory recognition issues and the next steps towards appropriate supervisory recognition. A theme discussed was that the current financial and economic crisis could pose concerns for increased barriers to supervisory cooperation and recognition.

### **Reinsurance Transparency Group**

- In addition to the mid-year GRMR report on current developments in insurance securitizations, the Subgroup will also be publishing a year-end report in its traditional format. The IAIS has identified the GRMR as work that relates to FSB and G20 reports, which includes recommendations that international bodies be more proactive on macroprudential issues and market analysis.

### **Solvency and Actuarial Issues Subcommittee** [Joe Fritsch (NY)]

- Met in Chile Apr. 20-23 and discussed standards and guidance on investment management and on insurance valuation.
- Joe Fritsch (NY) presented his proposed paper on Supervisory Reviews and Supervisory Reporting.
- Discussed potential revisions to the "prudential" insurance core principles, with the U.S. as the lead coordinator of that work.

### **Implementation Committee**

- Met in Basel March 6 and discussed a proposed multilateral memorandum of understanding 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.
- Next meeting will be on June 24 during the Triannual Meeting in Taipei.

### **Implementation Activities Approval Subcommittee**

- Met in Basel March 6 and discussed the IAIS strategy of standard implementation and assessment.
- Next meeting will be on June 24 during the Triannual Meeting in Taipei.

### **Task Force on Information Gathering and Analysis (TFIG)**

- Met by conference call on May 29 and approved postponing the completion of the Application Paper on Information Gathering to October 2010.
- Discussed the allocation of tasks to the TFIG members & Workplan for 2009-2010.

### **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 in Atlanta, Georgia on June 2-3.
- Members were updated on the progress made on the Access to Insurance Initiative and the revised draft charter. The IAIS ad hoc Working Group has considered the draft and has offered its comments.



- It was informed that the charter is expected to be signed by all the sponsors by July 2009 and launched during the IAIS Annual Conference in Rio de Janeiro. Funding can be put in place only after all signatories have signed.
- An update on the *Issues paper on role of mutuals, cooperatives, and community based institutions in microinsurance* was provided. It was explained that there was delay in advancing the work as in many jurisdictions the insurance supervisor is not responsible for oversight of such entities. In order to adhere to the time lines and avoid any delay members decided to commence drafting the paper based on the Focus Note prepared earlier.
- *Standards on regulation and supervision of microinsurance (October 2010) - first draft to be ready by October 2009* - A presentation drawing linkages from the Country study synthesis report and the Issues paper on regulation and supervision of microinsurance was made. It was agreed to defer the adoption of the paper to 2011 and wait for the revised draft of the Insurance Core Principles and Methodology.
- Discussion on changing name and structure of CGAP Working Group on Microinsurance to Microinsurance Network.
- Next meeting will take place in Taiyuan, China on July 16 and 17.

### **Insurance Laws, Regulations, Practices & Standards Subcommittee**

- Met by conference call on May 11 and discussed expanding the access of the Insurance Laws Database to non IAIS Members.
- Discussed improving the existing Insurance Laws Database

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

<b>2009</b>			
January 14-15	<b>IAIS Governance &amp; Compliance Subcommittee</b>	Tokyo, Japan	IAIS
January 20-22	<b>IAIS Reinsurance Subcommittee</b>	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	<b>IAIS Executive Committee Retreat</b>	Brussels, Belgium	IAIS - CBFA
February 2	<b>Joint Regional Information Session – Insurance Groups and Solvency Issues</b>	Tokyo, Japan	IAIS
February 3-5	<b>IAIS Accounting and Insurance Contracts Subcommittee</b>	Basel, Switzerland	IAIS
February 3-5	<b>IAIS Insurance Groups and Cross-Sectoral Issues Subcommittee</b>	Tokyo, Japan	IAIS
February 4-6	<b>IAIS Solvency &amp; Actuarial Issues Subcommittee</b>	Tokyo, Japan	IAIS
February 4-5	Joint Forum Risk Assessment and Capital WG	Miami, FL	
February 10-12	<b>IAIS Review of the Insurance Core Principles Task Force</b>	Singapore	MAS/IAIS
February 24-25	<b>Joint Forum</b>	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	<b>IAIS Triannual Meetings</b>	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	<b>IAIS Insurance Groups &amp; Cross-Sectoral Issues Subcommittee</b>	San Diego, CA	IAIS
March 15-18	<b>NAIC Spring National Meeting</b>	San Diego, CA	NAIC
March 17-19	Solvency II and other Risk-based Solvency Frameworks (Basel)	Basel, Switzerland	FSI
March 24-26	IAIS 8 <sup>th</sup> 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	<b>25<sup>th</sup> PROGRES Seminar on Insurance Regulation and Supervision</b>	Montreux, Switzerland	Geneva Association
April 15-17	IAIS Accounting and Insurance Contracts Subcommittees	Brussels, Belgium	IAIS
April 20	<b>IAIS Solvency &amp; Actuarial Subcommittee Regional Information Session</b>	Santiago, Chile	IAIS
April 21-23	<b>IAIS Solvency &amp; Actuarial Subcommittee</b>	Santiago, Chile	IAIS
April 21-22	<b>IAIS Reinsurance Subcommittee &amp; Mutual Recognition Subgroup</b>	New York	IAIS
April 23	<b>Reinsurance Transparency Group</b>	New York	IAIS
April 23-24	IAIS Ad Hoc Working Group for the Review of IAIS Education Strategy	Basel, Switzerland	IAIS
April 24-25	G7 and G20 Ministerial Meetings	Washington, DC	
April 26-30	<b>IAIS – ASSAL, OECD Training Seminar</b>	Ixtapa, Mexico	IAIS, ASSAL, OECD, CNSF
April 27-30	IAIS AITRI Insurance Technical Workshop Series	Kuala Lumpur, Malaysia	IAIS, AITRI OSFI
May 5-6	CEIOPS Consultative Panel Meeting	Frankfurt, Germany	CEIOPS
May 6-7	<b>IAIS Governance &amp; Compliance Subcommittee</b>	Amsterdam, Netherlands	IAIS
May 14-15	<b>IAIS Executive Committee Retreat</b>	Washington, DC	IAIS
May 18-19	<b>NAIC International Insurance Forum</b>	Washington, DC	NAIC
May 19-20	<b>IAIS Market Conduct Subcommittee</b>	Guernsey	IAIS
May 25-26	<b>IAIS Insurance Groups and Cross-Sectoral Issues Subcommittee</b>	Basel, Switzerland	IAIS
May 28	<b>IAIS Accounting Subcommittee</b>	Basel, Switzerland	IAIS
May 29	<b>Insurance Contracts Subcommittee</b>	Basel, Switzerland	IAIS
June 2-3	<b>IAIS Subgroup on Microinsurance and Joint Working Group</b>	Atlanta, GA	NAIC
June 13-16	<b>NAIC Summer National Meeting</b>	Minneapolis, MN	NAIC
June 16-17	<b>Joint Forum</b>	Berlin, Germany	BaFin
June 19	<b>CEA Int'l Insurance Conference</b>	Brussels, Belgium	CEA
June 22-23	<b>IAIS Reinsurance Subcommittee &amp; Mutual Recognition Sub Group</b>	Chinese Taipei	IAIS, FSC
June 23	<b>IAIS Global Seminar</b>	Chinese Taipei	IAIS, FSC
June 24-26	<b>IAIS Triannual Meetings</b>	Chinese Taipei	IAIS
June 27-28	<b>IASB Insurance Working Group</b>	London	IASB
June 30-July 1	CEIOPS Member Meeting	Poland	CEIOPS
July 9-10	<b>OECD– Insurance and Private Pensions Committee (IPPC)</b>	Paris, France	OECD
July 10	<b>IASB Financial Crisis Advisory Group</b>	New York	IASB
July 13-14	<b>IAIS Governance &amp; Compliance Subcommittee</b>	Manama, Bahrain	IAIS
July 13-14	<b>US – China Strategic and Economic Dialogue</b>	Washington, DC	
July 13-16	<b>IAIS Solvency &amp; Actuarial Issues</b>	Edinburgh,	IAIS

	<b>Subcommittee Meeting &amp; Regional Information Session</b>	Scotland	
July 20-24	<b>IASB Meeting</b>	London	IASB
July 21	<b>IAIS Insurance Fraud Subcommittee</b>	Basel, Switzerland	IAIS
July 22	<b>IAIS Market Conduct Subcommittee</b>	Basel, Switzerland	IAIS
July 27	<b>IASB Financial Institutions Advisory Group</b>	London	IASB
September (4 days)	IAIS Taking Action When Things Go Wrong	Barbados	OSI Barbados, IAIS, OGIS
September 1-3	<b>IAIS Accounting and Insurance Contracts Subcommittee</b>	Toronto, Canada	IAIS
September 7-9	<b>IAIS Solvency &amp; Actuarial Issues Subcommittee</b>	Madrid, Spain	IAIS
September 9-10	<b>IAIS Governance &amp; Compliance Subcommittee</b>	Montreal, Canada	IAIS
September 10-11	<b>IAIS Market Conduct Subcommittee</b>	Montreal, Canada	IAIS
September 10-11	<b>IAIS Insurance Groups &amp; Cross-Sectoral Issues Subcommittee</b>	Madrid, Spain	IAIS
September 14-18	<b>IASB Meeting</b>	London	IASB
September 15-18	IAIS Regional Seminar for Supervisors from Central and Eastern Europe	Moscow, Russia	FSIS Russia, IAIS, OSFI
September 21-24	<b>NAIC Fall National Meeting</b>	Washington, DC	NAIC
September 22-24	<b>IAIS Reinsurance Subcommittee and Mutual Recognition Subgroup</b>	Washington, DC	IAIS
September 22-25	IAIS Regional Seminar on Risk Based Solvency and Supervision	Santiago de Chile, Chile	SVS Chile, IAIS, FSI, ASSAL
September 24-26	OECD Conference on Financial Management of Large-Scale Catastrophes	Bangkok, Thailand	OECD
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	<b>IAIS Triannual Meetings/Annual Conference</b>	Rio de Janeiro, Brazil	SUSEP/IAIS
October (during Triannual Mtg)	<b>IAIS Reinsurance Subcommittee and Mutual Recognition Subgroup</b>	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	<b>IAIS Insurance Contracts Subcommittee</b>	London, UK	IAIS
November 17-18	<b>Joint Forum</b>	TBD	TBD
November 18-19	<b>CEIOPS Conference</b>	Frankfurt, Germany	CEIOPS
December	<b>IAIS Governance &amp; Compliance Subcommittee</b>	Paris, France	IAIS

December – 1 <sup>st</sup> wk	<b>IAIS Reinsurance Subcommittee</b>	Australia or TBD	IAIS
December 1-3	<b>IAIS Accounting and Insurance Contracts Subcommittees</b>	London, UK	IAIS
December 3-4	<b>OECD – Insurance and Private Pensions Committee (IPPC)</b>	Paris, France	OECD
December 5-8	<b>NAIC Winter National Meeting</b>	San Francisco, CA	NAIC
December	<b>IAIS Solvency &amp; Actuarial Issues Subcommittee</b>	San Francisco, CA	IAIS
December 15-17	<b>IAIS Market Conduct Subcommittee</b>	Cairo, Egypt	IAIS

## List of Abbreviations

<b>AFIRC</b>	Arab Forum of Insurance Regulatory Commissions
<b>AITRI</b>	ASEAN Insurance Training & Research Institute
<b>ASSAL</b>	Association of Latin American Insurance Supervisors
<b>BIS</b>	Bank for International Settlements
<b>CEIOPS</b>	Committee of European Insurance and Occupational Pensions Supervisors
<b>CIRC</b>	China Insurance Regulatory Commission
<b>EU</b>	European Union
<b>FSF</b>	Financial Stability Forum
<b>FSI</b>	Financial Stability Institute
<b>FSWG</b>	Financial Sector Working Group
<b>GATS</b>	General Agreement on Trade in Services
<b>IAIS</b>	International Association of Insurance Supervisors
<b>IASB</b>	International Accounting Standards Board
<b>IAA</b>	International Actuarial Association
<b>IIF</b>	Institute for International Finance
<b>IFC</b>	International Finance Corporation
<b>IOPS</b>	International Organization of Pension Supervisors
<b>IOSCO</b>	International Organization of Securities Commissions
<b>MENA</b>	"Middle East and North Africa"

<b>NAFTA</b>	North American Free Trade Agreement
<b>NCOIL</b>	National Conference of Insurance Legislators
<b>OCC</b>	Office of the Comptroller of the Currency
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OGIS</b>	Offshore Group of Insurance Supervisors
<b>WTO</b>	World Trade Organization

### National Supervisory Authorities:

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

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