

Our Meeting will Begin Shortly

International Insurance Relations (G) Committee



Virtual Attendees

- Audio will be muted upon entry.
- To request to speak, use the "Raise Hand" feature. The chair will be alerted.
- Video optional.
- Use the "Chat" feature for questions, comments, or assistance.
- If joining by phone, press *6 to mute/unmute.

Webex help or other technical issues: (816) 783-8960

Connect access or other questions: (816) 783-8961

In-person Attendees

JW Marriott Indianapolis—JW Grand 5-10—Level 3

Wi-Fi Network: NAIC2025

Password (case sensitive): SecureTomorrow25



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2025 SPRING NATIONAL MEETING
INDIANAPOLIS, IN



International Insurance Relations (G) Committee

March 24, 2025



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INDIANAPOLIS, IN



Agenda

- **Consider Adoption of Minutes**
- Discuss Committee Priorities, Processes, and People
- Update on IAIS Activities
- Update on International Cooperation Activities
 - Regional Supervisory Cooperation
 - Organisation for Economic Co-operation and Development (OECD)
 - Sustainable Insurance Forum (SIF)
- Discuss the NAIC International Fellows Program
- Any Other Matters
- Adjournment



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#2 Discuss Committee Priorities, Processes and People

–Director Eric Dunning (NE)



2025 G Committee Priorities:

**Monitoring Insurance Capital
Standard Implementation
Financial Sector Assessment
Program**

ICS Implementation - Background

- End of 2024, the International Association of Insurance Supervisors (IAIS) finalized the Insurance Capital Standard (ICS) and concluded the process to assess whether the Aggregation Method (AM) provides comparable outcomes.
- In reaching an agreement, the IAIS has stated:

*"In finalising the comparability assessment, the IAIS has concluded that a **US AM provides a basis for implementation of the ICS** to produce comparable outcomes. The comparability assessment of the provisional AM has highlighted some **areas where work** as part of implementation of the final AM will help ensure convergence, specifically treatment of interest rate risk and appropriate timing of supervisory intervention. In using the final AM as its implementation of the ICS, the **US commits to addressing those areas in appropriate ways**, which will be reviewed during the IAIS ICS implementation assessment process."*

ICS Implementation – NAIC Process

- Created a working group to facilitate the domestic implementation of the ICS via the AM -- the **Aggregation Method Implementation (G) Working Group** (AMIWG).
- Charges:
 1. *Review group capital regulation of US groups and their potential for comparable implementation of the ICS including:*
 - a) *Sensitivity to changes in interest rates and their impact on the solvency of the US life groups*
 - b) *Supervisory intervention of US groups on group capital grounds*
 - c) *Use of scalars and choice of regulatory intervention points*
 - d) *Reporting and disclosure requirements*
 2. *Coordinate the US implementation of the ICS via the AM by recommending:*
 - a) *potential domestic refinements*
 - b) *the final AM*
 3. *Monitor any further development of ICS at the IAIS and what implications those may have for implementation of the AM*
 4. *Report to, and coordinate with, the International Insurance Relations (G) Committee and any relevant groups under the Financial Condition (E) Committee*

FSAP – Background


- Joint World Bank and International Monetary Fund (IMF) Program established in 1999 in wake of Asian financial crisis
- FSAP has the following aims:
 - i. identify strengths and vulnerabilities of a country's financial system in order to reduce crises;
 - ii. determine how key sources of risk are being managed;
 - iii. ascertain the financial sector's developmental and technical assistance needs; and
 - iv. help prioritize policy responses.
- US financial regulatory system (all sectors, including insurance) subject to an FSAP for first time in 2010; occurs every 5 years
- US FSAPs in 2010, 2015 and 2020 – next FSAP schedule to commence in 2025

FSAP – NAIC Process

- G Committee is charged with coordinating the NAIC's participation in the Financial Sector Assessment Process (FSAP), including the referral of specific issues for consideration by other NAIC committees, task forces and/or working groups
- NAIC leadership names NAIC FSAP Coordinator (typically a senior level state regulator). Additional other states usually asked to volunteer to contribute as examples of and to help illustrate the US state-based system of insurance regulation.
- NAIC and state regulators work alongside other US financial sector regulators
- US Department of Treasury (International) acts as liaison to IMF on behalf of all involved sectors

International Association of Insurance Supervisors (IAIS)

Strategic Plan 2025-2029

1. Monitor and respond to key risks and trends
 2. Set and maintain globally recognized standards
 3. Support members on supervisory practices and facilitate capacity building
 4. Assess consistent implementation of global standards
- 

International Association of Insurance Supervisors (IAIS)

Activities and Issues

1. Monitor and respond to key risks and trends
 - Global Monitoring Exercise
 - Global Insurance Market Report Special Topic Edition – NatCat protection gaps
 - Issues Paper on structural shifts in the life insurance sector

International Association of Insurance Supervisors (IAIS)

Activities and Issues

2. Set and maintain globally recognized standards
 - ICS-related standards, including on supervisory reporting and public disclosure



International Association of Insurance Supervisors (IAIS)

Activities and Issues

3. Support members on supervisory practices and facilitate capacity building

- Application Papers on:
 - supervision of climate-related risks in the insurance sector
 - AI in the insurance sector
 - fair treatment of diverse consumers
 - regulation and supervision supporting inclusive insurance markets
- Operational resilience objectives and toolkit
- Peer exchanges via various IAIS Forums

International Association of Insurance Supervisors (IAIS)

Activities and Issues

4. Assess consistent implementation of global standards
 - Developing an ICS implementation assessment methodology and self-assessment questionnaire
 - Developing assessment approach to qualitative elements of ComFrame
 - Second phase of the Targeted Jurisdictional Assessments of the Holistic Framework implementation
 - Peer Review Process on ICP 13, Reinsurance


Organisation for Economic Co-operation and Development (OECD)

Activities and Issues:

- New structure and schedule
- NatCat risks – wildfire; flood; approaches to responding to large scale catastrophes
- Guidelines on Insurer Governance
- Global Insurance Market Trends report

Sustainable Insurance Forum (SIF)

Activities and Issues:

- Papers exploring the extent to which climate-related risks are being considered in insurance regulatory capital frameworks
 - Tracking developments and related work on transition planning
 - Build understanding on biodiversity and nature-related risks
- 

EU/US Dialogue Project

Activities and Issues:

- Two workstreams:
 - Climate and resilience
 - Innovation and technology
- Public event scheduled on sidelines of IAIS annual conference in November in Tirana

Other Activities

Bilaterals

- Planned dialogues, including ASSAL, Morocco, UK, Japan, Switzerland, Bermuda
- Opportunities at other events (IAIS, NAIC, etc.)

Other Activities

Events and activities

- Invited to present views, expertise and experiences of U.S. state insurance regulators
- Examples:
 - Bermuda Risk Summit
 - Eurofi High Level Seminar
 - Insurance Europe International Conference
 - Geneva Association PROGRES Seminar
 - ABIR International Insurance Regulatory Dialogue
 - ASSAL Annual Conference and Regional Trainings
 - AFIR Annual Conference
 - EIOPA/ICIR Global Insurance Summit
 - OECD Regional Roundtables

NAIC Activities

NAIC International Forum

- Annual flagship international event
- May 29-30, Washington DC
- Registration open - deadline May 2

NAIC International Fellows Program

- Fosters international relations and understanding of U.S. state-based system of insurance regulation
- Spring virtual / Fall in-person sessions
- 20th anniversary

Processes: Public Resources

International Insurance Relations (G) Committee Webpage

Committee calls/meetings materials

International Calendar

Aggregation Method (AM) documents

- Level 1
- Provisional AM for Use in the Comparability Assessment

Insurance Topics

Position Statement Documents

- Comparability
- ICS - criteria; interpretive guidance
- ComFrame
- Group Capital

Processes: Public Consultations

International Insurance Relations (G) Committee:

"...provide an open forum for NAIC communication with U.S. interested parties, stakeholders, and among its members on international insurance matters."

NAIC process:

- Review internally, consulting relevant subject matter experts
- Seek input from members, interested regulators and interested parties
- Discuss and approve submission of comments

People:

International Association of Insurance Supervisors (IAIS) Committee Representatives

- **Executive:** Dean Cameron (ID), Eric Dunning (NE), Beth Dwyer (RI), Andrew Mais (CT), Scott White (VA)
- **Implementation & Assessment:** Judi French (OH), Ricardo Lara (CA), Rashmi Sutton (NAIC)
- **Macroprudential:** Nathan Houdek (WI), Doug Ommen (IA), Justin Zimmerman (NJ)
- **Policy Development:** Eric Dunning (NE), Anita Fox (MI), Lori Wing-Heier (AK), Ryan Workman (NAIC)
- **Working Groups, Task Forces and Forums**

People:

- **OECD**: assigned based on meeting / topics
- **SIF**: Lori Wing-Heier (AK)
- **EU/US Dialogue Project**: Nathan Houdek (WI) and Doug Ommen (IA)



People: NAIC International Team



Maurice Maloney
Bilaterals; International Forum; OECD



Nikhail Nigam
IAIS; International Fellows; G Committee



Rashmi Sutton
IAIS; Implementation & Assessment; FSB

People: NAIC International Team



Gita Timmerman

IAIS; US/EU Dialogue Project; SIF



Ned Tyrrell

IAIS; Capital & Solvency; AMIWG



Ryan Workman

IAIS; Management; Strategy & Relations



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NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS

