

# International Report



**Issue No. 16**

**March 2004**



## NAIC Holds Regulatory Dialog with EU

NAIC Members met with European Commission officials and European supervisors from Italy, Norway, Germany, and the Netherlands in an NAIC-EU Regulatory Dialogue at NAIC's Office of Federal and International Relations in Washington, D.C., on January 14-15, 2004. A range of issues was discussed, including a progress report on the European efforts to develop a new solvency regime for insurers – the Solvency II project; the draft reinsurance directive; and the proposed restructuring of EU committees developing directives and implementation rules.

**NAIC Members** present included NAIC President and South Carolina Insurance Commissioner Ernst Csiszar; NAIC Vice president and North Dakota Commissioner Jim Poolman; Immediate Past NAIC President and Arkansas Insurance Commissioner Mike Pickens; Commissioners Al Gross (Virginia), John Oxendine (Georgia), Julie Bowler (Massachusetts), Larry Mirel (D.C.); Superintendent Alessandro Iuppa (Maine); Gloria Leal (Texas) and Gordon Cloney (D.C.); and NAIC CEO, General Counsel and International Relations staff. Participating for **Europe** were Ulf Linder and Jose Manuel de Frutos Gomez from the European Commission insurance sector of DC XV Internal Markets and Financial Services; Gabriele Arnoldi (Germany), Wil Dullemond (Netherlands), Fausto Parente (Italy) and Ole-Jorgen Karlsen (Norway). Participating for a portion of the meeting was Martin Merlin, assistant to Director General Schaub.

**Europe:** The EU began the meeting with an overview of the changes to the insurance committee structure, noting the recent creation of the Committee of European Insurance and Occupational Pensions Supervisors (**CEIOPS**), and modification of the existing committee to include pensions in a group to be called the European Insurance and Occupational Pensions Committee (**EIOPC**). The former group would consist of insurance supervisors, while the latter would be primarily “regulators” – typically from the relevant ministry of finance or treasury department.

### Mark Your Calendar:

The NAIC International  
Issues Conference is set for  
May 17-18, 2004  
Washington, D.C.

Register Now!

[www.naic.org/education](http://www.naic.org/education)

(See related story p. 6)

Under the EU's **Lamfalussy** committee restructuring initiative, Directives would set forth framework principles of insurance regulation; the EIOPC would develop implementing rules, and the CEIOPS

would recommend to the Commission common rules of application of the Directive by member states. The CEIOPS will be encouraged by the Commission to hold an open consultation process, including a “market participants” panel, in its work. (The NAIC met informally with members of the CEIOPS “bureau” – Denmark, Belgium, Netherlands, and UK - at the NAIC Winter National Meeting in December 2003 to begin to explore the value of an NAIC-CEIOPS dialogue.)

The EU also provided a status report on their **Solvency II** project, introducing a more risk-based approach to solvency oversight in Europe. The new solvency rules will be made compatible with international accounting standards (IAS) and with IAIS Core Principles on insurance supervision. A difficult question being debated in Europe is the desired level of prudence or certainty; in other words, how many companies – if any - are supervisors willing to allow to fail under the new standards? This question necessarily implicates the more difficult debate among Members as to whether they favor the creation of a guaranty system in Europe. In their work preparing a proposal for consideration by the Insurance Committee, the Commission has consulted extensively with the U.S. guaranty fund associations – NCIGF (non-life) and NOLHGA (life, health).

EU Members are also debating the relative importance of requiring companies to maintain capital in technical provisions (“Pillar 1” minimum regulatory capital) as opposed to “Pillar2” provisions tied to a company’s individual risk profile. A final question is the desired level of harmonization among Members – the extent to which national governments may apply stricter solvency standards than those set forth in the Directive. While at least one country would prefer to allow no insolvencies, they fear the potential harm on smaller companies of creating excessively strict solvency rules.

Recognizing the critical nature of actuarial standard, the Commission prefers using international standards, and the EU’s Group Consultatif Actuariel European is working closely with the International Actuarial Association (IAA); absent agreement on appropriate international standards, the Commission will develop rules for Europe. On numerous **technical questions**, the NAIC agreed to provide background information on U.S. regulatory practices (eg., life rules for valuation of guarantees and embedded options, and discounting of non-life technical provisions).

Having completed preparatory work in the area of **reinsurance** supervision, the Commission is hoping to have a proposal for a Directive approved in March, followed by creation of the actual Directive language. Members aim to establish a strict regime of reinsurance supervision, based on the same principles as rules applicable to the insurance sector to prevent regulatory arbitrage, and for the first time, to harmonize reinsurance regulation across Europe. (Under EU rules, once a directive is adopted by the Council and Parliament, member states must “transpose” the measure into national law before a fixed deadline.)

As part of the NAIC’s committee restructuring, the International Relations Committee has only established one Working Group – to address NAFTA issues. The work of the groups previously addressing trade and technical assistance and regulatory cooperation matters will now be done directly at the Committee level.

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International Insurance Relations (G)  
Committee

Mike Pickens (AR) - Chair  
Alfred W. Gross (VA) - Vice Chair  
Larry Mirel (DC)  
John Oxendine (GA)  
J.P. Schmidt (HI)  
Terri Vaughan (IA)  
Al Iuppa (ME)  
Linda Watters (MI)  
Eric Serna (NM)  
Jim Poolman (ND)  
Ernst Csiszar (SC)  
Jose Montemayor (TX)  
Jorge Gomez (WI)

NAFTA Subgroup

Jose Montemayor (TX), Chair  
John Garamendi (CA)  
Linda Watters (MI)  
Eric Serna (NM)  
Jorge Gomez (WI)

With regard the EU's deadline of 2005 for implementation of international **accounting** standards (IAS), the Commission is working closely with EFRAG (European Financial Reporting Accounting Group), a private sector body of accountants which reviews proposed IAS rules. Based on this analysis, the Commission submits to a vote by EU Members a recommendation regarding adoption. Although IAS 32 and IAS 39 were excluded from the EU requirement for adoption of IAS, the Commission continues to work closely with the IASB to make sure that, when standards are approved by IASB, they can be adopted quickly by the EU.

In the first of a series of updates from Member States, **Netherlands** reported on work on their own financial assessment framework, which strives for a level playing field in supervision of insurers and occupational pension schemes. They favor using risk sensitive capital requirements and requiring companies to engage in risk management, allowing the use of internal models. The Dutch financial regulatory authority will be structured somewhat similarly to Australia, where prudential and market conduct supervisors function across sectors. However, the Dutch Central Bank is appointed the prudential supervisor.

For their part, in solvency oversight **Germany** has examined the use of internal risk models, but because testing has been limited, they prefer adoption of a standard risk model at the EU level. They would also like to see the IAIS solvency work strengthened, and advocate the Solvency II approach as the basis for worldwide solvency standards. Because work has been too slow at the EU level, Germany has developed its own guaranty fund, but is prepared to harmonize with a European approach once one is created. For now, a separate "Protector" corporation has been established, in which all German companies are required to buy shares. The only business of "Protector" would be the assumption of the business of failed insurers.

Similarly, because Europe has not yet developed a single standard, Germany recently prepared a draft law on **reinsurance** supervision, which is scheduled to be adopted by Parliament and effective in mid-2004.

**NAIC:** Director Csiszar provided a run-through of the NAIC's **Regulatory Modernization Action Plan**, which targets reform in the area of company licensing, solvency regulation, product review, and market conduct exams. The EU Members were particularly interested to hear of the NAIC's move toward a risk assessment-based approach to solvency oversight. In company licensing, there has been good progress coordinating action at the holding company level, including a significant reduction in the related bureaucracy and paperwork. Commissioner Mirel commented on a project among regulators in the NE Zone for states to recognize a company license issued by another NAIC accredited state. The Interstate Compact was also discussed, as was the Terrorism Risk Insurance Act. Members of the U.S. delegation also provided an overview of major insurance-related issues, such as asbestos, medical malpractice, and **tort reform** generally, Gloria Leal agreed to provide a summary of recent Texas tort reform legislation, which stands as a model for states considering similar legislative action.

Some discussion took place comparing the direct role played by U.S. insurance regulators in handling **consumer complaints** with practices in Europe, where concerns with the potential conflict between complaint handling and solvency oversight prevail.

The second day began with an overview from Commissioner Oxendine on the consideration by the NAIC's **Reinsurance** Task Force of a European industry proposal for a reduction in collateral required of unlicensed reinsurers doing business in the U.S. Highlighting the extensive resources that have been dedicated to this review, the NAIC agreed to provide copies of reports of the subgroups looking into the

accounting and enforcement of judgment issues. Citing a recent article in ReActions magazine, "Burning Up Capital", Director Csiszar emphasized that the debate over reducing collateral requirements comes at a time when reinsurance recoverables are higher than ever-equal to 150% of the surplus of the p/c industry, and business relationships have soured, leading to an increase in the number of litigated reinsurance disputes.

Without resolution, significant discussion took place regarding concerns over the enforceability of judgments in a foreign jurisdiction and the information gleaned from NAIC's participation in the recent Hague Convention meeting; the reduction of company ratings threatened by A.M. Best if reinsurance collateral were reduced; accounting issues and whether financial reports using GAAP would be sufficient for U.S. regulators; the adequacy of financial reviews performed on European insurers and the lack of transparency of the results; and an NAIC straw horse proposal for a global guaranty fund for reinsurance put forth at the recent IAIS Reinsurance Subcommittee meeting that was met with indifference, including from EU members at the table. It was suggested that alternatives might be found in the form of working trusts or securitization of risks, and reference was made to an industry working group that had recently been created to re-visit the working trust concept.

**Insurance Groups:** Continuing a discussion initiated in March 2003, the group explored the steps necessary to arrive at a system for exchanging regulatory information on members of insurance groups in Europe and the U.S. Mr. Karlsen agreed to document the nature of the information required by EU regulators under the Insurance Group Directive. Recognizing that information would have to be provided by individual states, but also that the majority of relevant companies were located in a small number of states, he agreed to work with NAIC Staff on developing a **model agreement** that could be used bilaterally between EU members and U.S. states and adapted to individual state laws on information sharing. The parties will further consider eventually creating a special working group of supervisors to monitor the financial condition of members of insurance groups with operations in Europe and the U.S.

**Future Cooperation:** The participants held a frank discussion of a number of items, including whether the IAIS is aiming too low in its development of regulatory standards; whether the Europeans agree that the project to revise the IAIS by-laws should be broad, in particular to ensure fairness to larger members and reinforce institutional transparency; and what direction would be appropriate for the IAIS Reinsurance Subcommittee.

**Next Meeting:** The group tentatively agreed to meet immediately following the summer IAIS meeting (June 23-25), on **June 28-29** in either Brussels or Oslo (site of IAIS meetings.)

Superintendent Iuppa also suggested that the group consider at its next meeting the possibility of creating an **intern exchange** program for supervisors in Europe and the U.S. to visit each other's supervisory authority to enhance the transfer of practical knowledge. Given that the next meeting will be the first at which **new EU members** will be present, all agreed that the meeting should begin with a recap of the previous three years' meetings, and a review of the issues considered.

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## International Trade Update

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**World Trade Organization (WTO)/General Agreement on Trade in Services (GATS):** Following the lack of result from the September Cancun Ministerial, the U.S. does not want 2004 to be a lost year for the Doha Development Agenda of the World Trade Organization (WTO) negotiations. In January, U.S. Trade Representative Robert B. Zoellick wrote to his ministerial colleagues responsible for trade to suggest a “common sense” approach to advancing negotiations this year. Regarding services, the letter suggests that Ministers press for a meaningful services offer from a majority of WTO members, as well as technical assistance to help developing countries present offers. The next service negotiation “cluster” is scheduled for March 22-April 2.

**Free Trade Agreement (FTA): Negotiations recently concluded -** Central America (“CAFTA”) (Costa Rica, Honduras, Nicaragua, El Salvador, Guatemala); Morocco, and Australia.

**FTA negotiations underway** – Bahrain (expected to conclude before the end of the first half of 2004)

**Free Trade Agreement of the Americas (“FTAA”)** (34 countries of the Hemisphere, including the United States, Canada, Central and South America and the Caribbean): Negotiations are supposed to be concluded by January 1, 2005. Countries are working informally on the terms of a common set of disciplines applying to all FTAA countries. FTAA countries also will be free to negotiate, on a plurilateral basis, a higher standard set of disciplines.

**Dominican Republic:** Expedited negotiations are underway for the Dominican Republic to join the outcome of the CAFTA negotiations. Conclusion of the negotiations is imminent.

**South African Customs Union (“SACU”)** (South Africa, Botswana, Namibia, Lesotho): Negotiations began in June 2003 and are scheduled to conclude by end of 2004. The negotiations have been divided into two phases, largely due to SACU capacity constraints, with some issues being discussed in the first phase and others beginning in the second phase. Financial Services negotiations are to begin in earnest in April 2004.

**FTA negotiations that will start sometime this year** – Andean (Columbia and Peru with door open to Ecuador and Bolivia); Panama, and Thailand.

**NAFTA: North American Free Trade Agreement**

The NAIC continues to work with regulators and industry, as well as transportation officials, to remove impediments to providing seamless insurance coverage for trucking in Canada, Mexico, and the US. The NAIC’s NAFTA Subgroup meets independently and jointly with the TriNational Insurance Working Group (Canada, Mexico and US participation) and the NAFTA Financial Services Committee to discuss cross border trucking safety issues, litigation under the NAFTA, surety bonds, and workers compensation issues associated with the NAFTA. The TriNational Working Group has held an increased number of meetings to expedite the resolution of the insurance issues. Most recently a meeting was held in Austin, TX on October 30 to advance the work of the Subgroup.

## **Japan Delays Introduction of Kampo Products**

At recent bilateral deregulation talks, Japan told the United States that there is no plan to introduce new insurance products through Kampo, which is related to Japan's government-run postal service and thus benefits from an expansive distribution network. Despite objections from domestic and foreign insurers, Kampo had considered issuing a fixed-term, whole-life insurance policy. The issue also arose last fall in talks-attended by the NAIC- under the U.S.-Japan Insurance Agreement.

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## **NAIC International Issues Conference – May 17-18, 2004**

*Congressman Mike Oxley to Address Conference*

The NAIC will hold its third International Issues Conference in Washington, DC from May 17-18, 2004. The conference will build on the issues explored at the International Issues Conference held last October.

Superintendent Iuppa will discussants in a review of the IMF/World Bank “financial sector assessment program”, examining a recent assessment from the perspective of the reviewers as well as the jurisdictions undergoing the review. NAIC President Ernst Csiszar joins the program as chair of a review of global insurance risk transfer. Commissioner Terri Vaughan and panel members will look into the use of international standards to regulate the global financial markets. The evolution of insurance supervision, and the growth of insurance markets, in Central and South America will be discussed in a session moderated by Commissioner Jose Montemayor.

Congressman Michael G. Oxley (R-OH) will kick-off the second day as keynote speaker where, among other topics, he will address issues related to corporate governance in the wake of the Sarbanes-Oxley law which created new obligations for corporate internal practices. These remarks will be followed by a look into work of the International Actuarial Association on their draft “Global Framework for Insurance Solvency Assessment” – a panel guided by Commissioner Gross. The conference will conclude at mid-day after a session led by G Committee Chairman Mike Pickens, where the various moderators will explore “The Role of the NAIC and the Globalized Insurance Markets.”

Visit [www.naic.org/education](http://www.naic.org/education) for more information, and to register for this program which, last year, drew attendees from the insurance regulatory community in the U.S. and several nations, as well as members of the private sector, Congressional staff, and representatives of U.S. agencies, including USTR, the Federal Reserve and the Treasury Department.

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## NAIC Provides Technical Assistance

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*The NAIC continues to work closely with the Federal Government, primarily the U.S. Department of Commerce and the Agency for International Development (AID), to provide expertise and training to developing market countries. NAIC involvement in these initiatives ranges from distributing NAIC publications, to receiving visiting delegations and providing training, both in the U.S. and abroad.*

*State insurance regulators interested in being considered for a technical assistance program should provide George Brady,, at the NAIC's Washington, D.C. office, with contact information, a description of relevant regulatory experience, and an indication of any particular connection with a non-U.S. country or region. Also, if a visit to or from a foreign government is scheduled with your department, please e-mail George Brady.*

### **New York Insurance Department, NAIC Receive CIRC Delegation**

A China Insurance Regulatory Commission (CIRC) delegation visited the U.S. in February, making stops at NAIC Headquarters in Kansas City and the New York Insurance Department. The group of the financial experts from China was led by Mr. Jing Xianxue, Director of the Financial Regulation Division in CIRC's Finance & Accounting Department, and included, also from Finance & Accounting Deputy Director Mr. Zhao Yulong, senior staff member Mr. Guo Jing, and Miss Zhou Xia, currently in charge of internal financial management. Also part of the group were Miss Ming Xia, Director of the Foreign Affairs Division of CIRC's International Department, and Mr. Kenneth Zou, CFO of Sinosafe Insurance Co. Ltd.

The visits to the New York Department and the NAIC included in-depth discussions with financial regulatory services staff on financial reporting and analysis issues. The meetings were further evidence of the growing cooperation between U.S. and Chinese insurance regulators. In 2002, the NAIC and CIRC entered a Memorandum of Understanding to document their commitment to working together on regulatory matters of common interest. Pursuant to a Work Program finalized in October 2003, the NAIC expects to host the first group of interns from CIRC in Spring 2004. The program will consist of an overview of U.S. regulatory practices in Kansas City, followed by placement of each intern with a state insurance department for four weeks. The program will culminate with the meetings in Washington, D.C., where the program participants will be able to share their experience and complete their introduction to insurance supervisors in the U.S., having achieved practical skills through their on-the-job experiences working in the states.

### **China Regulators Visit California Insurance Department**

The China Insurance Regulatory Commission (CIRC) was represented at the NAIC Winter National Meeting in Anaheim by Assistant Chairman Zhou Yanli and Li Ming of the International Cooperation Division. During their visit to the U.S., they were hosted for a visit to the California Department of Insurance (CDI), where they met with Norris Clark, Woody Girion, Louie Quan, Ron Rosen, and Bob Loo. The group was also joined by Dr. Weili Lu, Director of Insurance Studies at the California State University of Fullerton.

As head of CIRC's overall administration area, Mr. Zhou was particularly interested in those areas, such as budgeting, human resources, media handling, and civil service system. The unique function of the California commissioner was also discussed, where elected office of the commissioner is responsible to the California constituents and does not report to the Governor. The visitors all took great interest in the status of the CDI as a special funding state agency. Although the Department is not funded by state general and tax revenue, and therefore not impacted by the current state budgetary crisis, the CDI does operate under spending constraints with what is appropriated in the budget by the state legislature and the Governor. Mr. Zhou provided insights in CIRC situation, and the group compared the pros and cons of each system.

After the meeting, the group toured the CDI's Financial Analysis Division, and were introduced to the staff analysts, many of whom speak Chinese Mandarin and Cantonese. The Division is well-represented with Asian nationals, with analysts from mainland China, Hong Kong, Taiwan, Malaysia, Vietnam, Cambodia, Thailand, Burma, Japan, South Korea and India. It was pointed out that, in recent years, California has been a mentor state to the insurance regulators from South Korea and Malaysia. The CDOI provided internship training to staff analysts from South Korea in the past for a period of 6, 12 and 18 months, and provided on-site training by invitation in Seoul and Kuala Lumpur in the past.

After lunch-which Li Ming described as the best he'd had in his 10 day visit – Dr. Lu took the visitors from CIRC to see her campus because Mr. Zhou was also interested in insurance education.  
[Thanks to Bob Loo, California Department of Insurance for this report.]

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## UPDATE: IAIS Committees and Subcommittees

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### **IAIS to Meet March 22-25 in Budapest**

NAIC Members will be represented at the upcoming quarterly meeting of the International Association of Insurance Supervisors (IAIS) from March 22-25 in Budapest, Hungary. The IAIS last met in December in Anaheim immediately after the NAIC Winter National Meeting [see summary below].

In Budapest, in addition to the Technical and Executive Committees, subcommittees on the reinsurance, financial conglomerates, insurance fraud, and electronic commerce will meet. The Reinsurance Subcommittee, chaired by NAIC President and South Carolina Insurance Director Csiszar, plans to discuss a report on Europe's efforts to create a new supervisory requirements for reinsurers, and to continue its work on a survey of members' reinsurance supervision.

The Task Force on Revisions to the By-Laws will meet and expects to present its recommendations on changes to the by-laws to reflect current IAIS practices, and taking into account changes brought about since adoption of the Medium Term Work Plan at the 2003 Annual Meeting. There will also be an informational meeting on the IAIS's insurance laws database which contains a compilation of members' responses to an extensive survey of regulatory practices in the association's 130 jurisdictions. All NAIC members are deemed members of the IAIS, and have access to the IAIS website ([www.iaisweb.org](http://www.iaisweb.org)) - including the laws database – using an NAIC username and password.

Meetings of the solvency subcommittee and the task force on enhancing disclosure and transparency in the reinsurance sector (“Task Force Re”) have taken place on an interim meeting basis. Task Force Re is in the process of finalizing its report to the Financial Stability Forum (FSF) in response to the FSF’s focus on improving the transparency of the global reinsurance market and risk-oriented disclosures of individual reinsurers. Meanwhile, the Solvency Subcommittee continues its work toward finalizing its paper on appropriate forms of capital, the first draft of standard on capital adequacy requirements, and a draft framework on three pillar-based supervision.

## **IAIS Summary Report – March 2004**

[Provided by IAIS Secretariat]

### *IAIS Quarterly meetings in Anaheim 7-12 December*

The IAIS held quarterly meetings in Anaheim, California in conjunction with the quarterly meetings hosted by the NAIC. The following IAIS meetings were held:

- The Executive Committee discussed a number of issues including the minutes approval process, the structure for secondment of staff to the Secretariat, a possible recognition system for people who make a considerable contribution to the IAIS and the organization of the 2004 Annual Conference in Amman. The group agreed that the IAIS could sign the agreement with the World Bank on the Core Curriculum Project and endorsed the mandate and work plan of the new By-laws Revision Task Force.
- The Insurance Fraud Subcommittee continued discussion on a draft guidance paper on insurance fraud (claims, intermediary and internal frauds) and discussed improvements to the existing *Guidance Paper on Anti-money Laundering and Combating the Financing of Terrorism*.
- A joint meeting of the Insurance Fraud Subcommittee and the Working Group on Electronic Commerce was held to discuss a proposed survey on the use and risks of e-insurance/internet activities by insurers and the issues for supervision.
- The Subcommittee on Reinsurance and Other Forms of Risk Transfer met to discuss future work that includes a proposed protocol for mutual recognition of reinsurers and a draft survey on compliance with the *Standard on Supervision of Reinsurers*.
- The Subcommittee on Enhanced Disclosure finalized the draft *Standard on Disclosures Concerning Technical Performance and Risks for Non-Life Insurers and Reinsurers*, which is the first IAIS standard on disclosure by insurers.
- The Task Force on Enhancing Transparency and Disclosure in the Reinsurance Sector (“Task Force Re”) met to approve the organizational set-up of reinsurance statistics, the statistical output tables and the list of potential reporting reinsurers.
- The Technical Committee met to approve the draft *Standard on Disclosures Concerning Technical Performance and Risks for Non life Insurers and Reinsurers*, to select a new chair for the Enhanced Disclosure Subcommittee, to hold a roundtable on the consequences of asbestos, and to hear reports from the Working Parties. It was agreed to set up a Steering Committee on Transparency in the Reinsurance Sector to follow-up the work on reinsurance statistics when the Task Force disbands in March. It was also agreed that the IAIS would propose to the Joint Forum the creation of a working group on methods for the assessment of risk concentration and intragroup risk transfers in financial conglomerates. [The NAIC also tabled for consideration a draft standard on regulatory and administrative transparency. Views from members on whether the IAIS should draft a separate standard in this area were solicited, and will be addressed at the March IAIS meetings in Budapest]

- In the meeting of the Regional Chairs, there was discussion on training issues of common interest, the definition and role of regions, and the funding of training seminars.
- The Task Force on the Revision of By-laws held its first meeting to discuss the procedures to revise the By-laws and drafted a mandate to reflect the current insurance core principles and the mid-term working plan of the IAIS. The group will start drafting the revisions after receiving comments from subgroups.
- The Investments Subcommittee met 16-17 December in London to discuss the revised draft paper on Investment Risk Management. The paper will be sent out for consultation to members and observers shortly.

### *IAIS Meetings held in January 2004*

#### **Accounting Subcommittee**

The Accounting Subcommittee met in Paris on 12-13 January to discuss the work plan, the International Accounting Standard Board (IASB) developments on insurance contracts and financial instruments, the IASB Foundation constitution review paper and a proposed IAIS guidance paper on regulatory reporting.

#### **Insurance Laws Subcommittee**

On 15-16 January, the Insurance Laws Subcommittee met in Vienna to discuss regional initiatives and the insurance laws database, and to develop policies on access to the IAIS database.

### *IAIS Meetings held in February 2004*

#### **Enhanced Disclosure Subcommittee**

The Enhanced Disclosure Subcommittee met in Rome on 10-11 February to discuss its work plan and start the development of a new standard on disclosure of investment performance and risks. It also prepared comments on the draft report of the Task Force on Enhancing Transparency and Disclosure in the Reinsurance Sector, to be presented to the Financial Stability Forum.

#### **Task Force Re:**

On 11-13 February the Task Force on Enhancing Transparency and Disclosure in the Reinsurance Sector met in Bermuda to discuss the draft report to be presented at the FSF March meeting, and to make an update on the production of prototype statistics for 2002 and 2001 by each jurisdiction.

#### **Solvency and Actuarial Issues Subcommittee:**

The Solvency and Actuarial Issues Subcommittee met in Lisbon on 25-27 February to discuss a revised draft paper on appropriate forms of capital, the first draft of a standard on capital adequacy requirements and a draft supervisory framework outline.

#### **Future IAIS meetings:**

- March 29-April 1, 2004 – Budapest, Hungary
- June 22-25, 2004 – Oslo, Norway
- October 3-8, 2004 – Amman, Jordan [2004 Annual Conference]
- January 12-15, 2005 – Basel, Switzerland
- June 2005 – Beijing, China
- September 2005 – Vienna, Austria [2005 Annual Conference]

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# International Calendar of Upcoming Events 2004

(Bold denotes active NAIC participation)

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## JANUARY

- 12-13 IAIS Accounting Subcommittee Meeting (Paris)**
- 14-15 NAIC – EU Regulatory Dialogue (Washington, DC)**
- 15-16 IAIS Insurance Laws Subcommittee (Vienna, Austria)
- 21-23 IASB Meeting (London, UK)**

## FEBRUARY

- 3-4 IFRIC (London, UK)
- 9-11 ASEAN Regional Seminar (Kuala Lumpur, Malaysia)
- 10-11 IAIS Enhanced Disclosure Subcommittee (Rome, Italy)
- 11-13 IAIS Task Force Re (Reinsurance Transparency/Disclosure) (Bermuda)**
- 18-20 IASB Meeting (London, UK)**
- 23-24 SAC (London, UK)
- 25 **Joint Forum (Basel, Switzerland)**
- 25-27 IAIS Solvency Subcommittee (Lisbon, Portugal)**

## MARCH

- 9 IAIS Investments Subcommittee (Amsterdam, Netherlands)
- 11 OECD Task Force on Private Health Insurance (Paris, France)
- 13-16 NAIC Spring National Meeting (New York City)**
- 17-19 IASB Meeting (London, UK)**
- 24 EU Insurance Committee (Brussels, Belgium)
- 23-24 IFRIC (London, UK)
- 26 **IAIS Accounting Subcommittee (Paris, France)**
- 29 Joint Forum Coordination Group (Rome, Italy)
- 29-30 FSF (Rome, Italy)
- 29-Apr 1 IAIS Committee Meetings (Budapest, Hungary)**

## APRIL

- 1-2 Central and Eastern Europe Regional Seminar (Budapest, Hungary)
- 15-16 **IASA China Chapter Conference (Beijing, China)**
- 21-25 **IASB (London, UK)**
- 22-23 IAIS Insurance Laws Subcommittee (TBA)
- 25-27 Middle East and Northern African Regional Seminar (Amman, Jordan)
- 26-27 **OECD Task Force on Terrorism Insurance (Paris, France)**
- 26-27 **IAIS Enhanced Disclosure Subcommittee (Rome, Italy)**

## MAY

- 4-5 IFRIC (London, UK)
- 3-7 Toronto Centre Insurance Supervision Program (Niagara Falls)
- 12-14 **IAIS Solvency Subcommittee** (Basel, Switzerland)
- 17-18 NAIC 2004 International Issues Conference (Washington, DC)**
- 19-21 IASB (London, UK)
- 24-28 **ASSAL XV Annual Meeting**, IAIS/OECD/ASSAL Conference (San Juan, Puerto Rico)
- 31-04 Joint Vienna Institute (Vienna, Austria)
- TBA Asian Region Seminar (Singapore)

## JUNE

- 3-4 IFRIC (London, UK)
- 12-15 NAIC Summer National Meeting (San Francisco, CA)**
- 16 **Joint Forum** (Bonn, Germany)
- 21-23 **IASB** (Oslo, Norway)
- 22-25 **IAIS Committee Meetings** (Oslo, Norway)
- 24-25 SAC (Oslo, Norway)
- 28-29 **NAIC-EU Regulatory Dialogue** [tent.] (Brussels, Belgium)
- 30 EU Insurance Committee (Brussels, Belgium)

## JULY

- 5 **OECD Working Party of Gov'l Experts on Insurance** (Paris, France)
- 6 **OECD Task Force on Terrorism Insurance** (Paris, France)
- 7-8 **OECD Insurance Committee** (Paris, France)
- 8-9 **Enhanced Disclosure Subcommittee** (Rome, Italy)
- 21-23 **IASB** (London, UK)
- 29-30 IFRIC (London, UK)

## AUGUST

- TBA IAIS Offshore Regional Seminar**
- 26-27 IAIS Insurance Laws Subcommittee (TBA)

## SEPTEMBER

- 1-3 **IAIS Solvency Committee** (Sydney, Australia)
- 4-5 FSF (Washington, DC)
- 11-14 NAIC Fall National Meeting (Anchorage, AK)
- 21-22 **IAIS Enhanced Disclosure Subcommittee** (Basel, Switzerland)
- 27-28 NSS (London, UK)

## OCTOBER

- 2-9 **IAIS Annual Conference and Committee Meetings** (Amman, Jordan)  
26-27 **IAIS Enhanced Disclosure Subcommittee** (Rome, Italy)  
26-29 **IAIS Asian Regional Seminar** (Beijing, China)

## NOVEMBER

- 10 **Joint Forum** (Sydney, Australia)  
15-17 **IASB** (London, UK)  
17-19 **IAIS Solvency Subcommittee** (Amsterdam, Netherlands)  
18-19 **SAC** (London, UK)  
22-26 **OECD Insurance Committee** (Paris, France)

## DECEMBER

- 1 **EU Insurance Committee** (Brussels, Belgium)  
2-3 **IFRIC** (London, UK)  
4-7 **NAIC Winter National Meeting (New Orleans, LA)**  
15-17 **IASB** (London, UK)

### 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
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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