

International Report



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NAIC PROVIDES TECHNICAL TRAINING TO BRAZILIAN REGULATORS

*Director Urias (AZ), New York Insurance Department Staff and NAIC
Contribute to NAIC-SUSEP Work Program*

In May 2006, NAIC President Alessandro Iuppa signed an MOU with Brazil's regulatory authority, SUSEP, to increase regulatory cooperation. To define the regulatory cooperation more broadly, SUSEP and the NAIC agreed on a Work Program, which includes a number of technical assistance projects.

As part of the Work Program, SUSEP requested that the NAIC participate in the Annual ASEL Conference in November (Association of Insurance Supervisors). ASEL was established in 1996 and represents Portuguese-speaking insurance regulators. The ASEL members include Angola, Brazil, Cape Verde, East Timor, Macau, Mozambique, Portugal and Saint Tome and Principe. The NAIC was represented by Director Christina Urias (AZ), who provided an overview of the US regulatory system and also discussed the NAIC's growing international activities. Director Urias highlighted the lively and interactive session held with the ASEL membership. The conference also included presentations on the IAIS Core Principles. While the NAIC has worked with Brazil and Portugal in the past, the ASEL conference provided an opportunity to interact with other supervisors who the NAIC has not had the opportunity to meet in the past.

To increase the technical expertise and know-how, the NAIC worked with SUSEP and the United Nations Development Program, through a World Bank loan, to provide on-site training based on risk based supervision. Lou Felice, Assistant Chief Examiner, Health Bureau, NY Department of Insurance, and David Vacca, NAIC, gave a 4-day comprehensive seminar from November 7-10, 2006. Prior to their arrival, both experts were provided background information on the regulatory system in Brazil, so they would be better equipped to meet the needs of the project.

Topics discussed included:

- Understanding the Framework for An Effective System of Solvency Regulation

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- Overview of financial analysis process
- Prioritization (Rating) Methodologies and Analytical Tools Used by State Insurance Departments
- Risk focused examinations
- Measuring the effectiveness of internal controls
- Role of internal/external auditors
- Impact of Internal Control during examinations
- Evaluation of examination systems
- Weaknesses Found During An Examination
- Case studies

The participants taking part in the seminar included 60 regulators from Brazil's Inspection Department, Economic Control Department, and the Technical and Actuarial Department.

The objective of the project was to support institutional development by improving insurance regulation, supervision and oversight of the insurance sector. This included a diagnosis and plan of action aimed at improved institutional performance, continued adoption of international standards and best practices, as well as the modernization of procedures. To achieve these objectives, one of the key components was to increase staff training and make considerable improvements in information technology infrastructure. The evaluation completed by the SUSEP attendees clearly noted the relevance and importance of the seminar and how well the information was presented by the NAIC.

In addition to regulators and staff providing on-site training in Brazil, two SUSEP regulators arrived at the New York Insurance Department, Sergio Jorge Ramos de Oliveira (Technical Analyst) and Mr. Rossano Orsini Junior (Coordinator of Products Inspection) for a 10-day training program in November. The purpose of the program was to give the regulators an opportunity to actively participate in an exam based on risk based supervision. Prior to their arrival, the regulators had a chance to take part in the seminar given in Brazil, which provided an excellent platform for their program in New York. During their visit, the trainees, with the assistance of New York examiners and after signing a confidentiality agreement, participated in the financial exam and also had the opportunity to visit the New York Federal Reserve Bank. Through the coordination

and hard work of the New York Insurance Department staff, the SUSEP regulators had the opportunity to gain practical experience from their on-site visit.

Brazilian Regulators Learn About US Health Care System

*Institute of Brazilian Issues Group
Returns to NAIC*

NAIC Washington, DC staff met with twenty-two Brazilian regulatory officials who traveled to Washington as part an initiative sponsored by George Washington University's Institute of Brazilian Issues. The Brazilian officials came from the National Health Agency, the National Electric Energy Agency, the National Health Surveillance Agency, and the National Motion Picture Agency, for a two-week program on regulation in a modern national economy. The attendees were given an overview of the US system of insurance regulation and how the health system works in the US. In Brazil, health insurance is not regulated under SUSEP, but instead under the National Health Agency (NHA). Members of the NHA requested information about ERISA, HIPAA and COBRA laws for their reference. NAIC staff noted that the NAIC has a formal MOU with SUSEP and maintains regulator contact with them, which the delegates were not aware of prior to the meeting.

US Participates in International Seminar to Combat Fraud

*NAIC Anti-Fraud Coordinator
Highlights US Experience*

The United States Agency for International Development (USAID) established the Partners for Financial Stability (PFS) Program in 1999 as a public-private partnership. Due to the many challenges posed by opening markets in emerging economies, the implementation of the program was to help complete reforms necessary to have market-oriented, sound and well-functioning financial sectors in the eight Central and Eastern Europe (CEE) countries that have since joined the European Union. In 2005, the geographical focus of the program shifted to South East Europe (SEE).

The goal of the PFS Program is to work with CEE and SEE countries to accelerate financial sector development and reform based on best practices as well as international standards. As a result, this contributes to the promotion and integration into the European and international economic systems.

One of the priority technical areas is insurance and the Center of Excellence in Finance (CEF) and the PFS Program held a Regional Workshop on Insurance Supervision from October 25-26 in Ljubljana, Slovenia. The seminar was entitled: Regional Workshop on Insurance Supervision: Financial Crime Utilizing the Insurance Industry and Insurance Products - Practical Experiences in the European Union (EU), Israel, South East Europe (SEE) and the United States of America (US).

Experts with a variety of specialized expertise from the following institutions presented information about the regulatory environment and/or specific case studies related to insurance fraud: Ministry of Finance (Israel); De Nederlandsche Bank (The Netherlands); Insurance Supervision Agency (Slovenia); Office for the Prevention of Money Laundering, Ministry of Finance (Slovenia); and the National Association of Insurance Commissioners (US).

Alan Haskins, Anti-Fraud Coordinator, attended on behalf of the NAIC. His presentation included critical information on how to detect insurance fraud, what the NAIC and industry has done to assist in this effort, the necessary coordination with US Federal government agencies and several case studies to illustrate the complexity of prosecuting those individuals or groups who commit insurance fraud.

Seventeen participants representing the following institutions participated in the seminar: Insurance Supervision Agency – Bosnia and Herzegovina; Administration for the Prevention of Money Laundering – Montenegro; Insurance Supervisory Commission - Romania; Ministry of Public Finance – Romania; National Office for Prevention of Money Laundering – Romania; Administration for the Prevention of Money Laundering – Serbia; Office for the Prevention of Money Laundering – Slovenia; and Tax Administration – Slovenia.

The Regional Workshop on insurance fraud and financial crime utilizing the insurance industry was the first event of its kind organized by the CEF and the PFS Program. The workshop was designed to raise consciousness about these critical issues and share practical experiences through the presentation of case studies. The workshop provided an excellent opportunity for speakers and participants to: 1) analyze case studies based on real situations; 2) identify international standards in this field; 3) exchange/share experiences with colleagues; and 4) discuss strategies for implementing best practices. Both the CEF and the PFS Program emphasize peer based learning in their respective training programs.

US-EU Regulatory Dialogue

NAIC Highlights Key Issues

The NAIC maintains an on-going a regulatory dialogue with the European Commission and member country regulators, to better understand each other's system of regulation. Dialogues have been held for several years, and dovetail with the Financial Market Regulatory Dialogues held between U.S. and European banking and securities regulators. The NAIC discussions include European supervisors from the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and EU regulators from the European Insurance and Occupational Pensions Committee (EIOPC), together with representatives of the European Commission Internal Markets Directorate General – Insurance Unit.

At the most recent Insurance Dialogue held on September 25, 2006, London, NAIC and the EU representatives discussed a variety of topics, including Solvency II, information exchange on members of insurance groups, reinsurance and the IAIS.

“Solvency II”, Solvency Developments: the EU has embarked on a major reform of its scheme for regulating insurer solvency to incorporate risk-based elements into capital requirements. With a proposed framework Directive to be completed by July 2007, CEIOPS has organized a series of “calls for advice” on technical aspects of the

proposal. As the EU moves forward with Solvency II, the NAIC continues to monitor its progress and recently reviewed its first Quantitative Impact Study (QIS1), which focuses on the level of prudence in the current technical provisions. Issues were identified that are similar to issues being faced in the U.S. with risk-based capital and principles-based regulation. The EU has continued to urge the NAIC to comment on ways in which the new EU structure might be made more compatible with U.S. practices, which could benefit U.S. supervisors overseeing the activities of EU insurers in the U.S.

The NAIC International Solvency Initiatives Working Group is responding to the growing level of detail in the IAIS work and the pace of Solvency II discussions.

Insurance Groups: To address a requirement of the EU's Directive on Supplementary Supervision of Insurance Groups, the NAIC and EU have agreed on a model Memorandum of Understanding (MOU) on the exchange of confidential supervisory information on members of insurance groups (defined as holding companies with only insurance entities in the family.) The NAIC is now working with European supervisors to put in contact regulators of relevant parents and group members of transatlantic insurers in the EU and US. There have been discussions to inform affected U.S. lead states of the information-sharing initiative and to encourage these states to utilize the model MoU in forming agreements with their EU counterparts. An NAIC-EU Working Group met during the

NAIC Winter National Meeting in San Antonio to discuss implementation of the MOU.

Reinsurance: The EU's final Reinsurance Directive was adopted in November 2005, leading to a timeline that requires adoption in all member states by November 2007, with elimination of collateral requirements in countries with current rules by November 2008. In 2005, the EU put forth thoughts for a "Roadmap" for resolving the U.S. reinsurance collateral issue. However, it was decided that it was not timely for the "Roadmap" to move forward since the NAIC adopted the White Paper and moved forward with work to look at alternatives to the current reinsurance regulatory framework, including the use of

collateral within the U.S. and abroad. The goal is to consider approaches that account for a reinsurer's financial strength regardless of domicile, state or country. [The Reinsurance Evaluation Office (REO) proposal is the subject of discussion at the Reinsurance Task Force meeting(s) at the NAIC Winter Meeting in San Antonio.]

The EU proposal for a Roadmap on the reinsurance collateral issue is on hold pending NAIC action on revisions to current credit for reinsurance rules.

IAIS Cooperation: At the Dialogue, U.S. and EU representatives also discussed better coordination on IAIS matters, including changing the current structure of the IAIS. As the organization evolves, pressures are coming to bear on the resources available to achieve meaningful international regulatory standards while meeting the growing demand for education and training. The significance of the IAIS work also makes the deficiencies in procedural transparency even more glaring and, in recent years, the NAIC has called for European support for its efforts to seek the IAIS adoption of rules on administrative procedures.

Iuppa Highlights Global Solvency at CEIOPS Conference

More Principles-Based System Needed for Life Industry in US

NAIC President Alessandro Iuppa delivered a keynote speech as part of the 2006 CEIOPS in Frankfurt, Germany. Iuppa's address, entitled "Solvency II from a Trans-Atlantic Perspective", highlighted the significance of securing an effective solvency regime and the NAIC's current focus on a principles-based system of insurance supervision. He also spoke on the importance of the engagement of U.S. insurance regulators in global solvency initiatives. Through regular meetings between NAIC members and insurance representatives from the EU, it has become evident that both groups face many of the same regulatory challenges and opportunities. As the EU introduces new concepts for their solvency regime, the NAIC is also in the process of reviewing the U.S. system.

Iuppa noted the difference between Solvency II, which is a principle-based approach to insurance regulation being developed by the EU, and the current risk-based capital system used by US regulators since 1994. Many insurance regulators now acknowledge that the current reserve methodologies do not adequately focus on the benefits, revenues and risk characteristics of insurance products being offered. As a result, a more flexible, principles-based system is needed, especially in the life insurance sector, where companies now offer more complex products and investments.

The NAIC is currently working to develop a valuation manual approach for establishing reserves as well as a new standard valuation model law that states can adopt. Although many challenges remain and an increased level of resources will be required, the NAIC President noted the commitment to considering changes to our traditional rules based-system to a more principles based system.

Assistant Hong Kong Commissioner of Insurance Visits DC and NY
Promotes Greater Understanding of the U.S. Regulatory System

Ms. Angel W. M. Hon, Assistant Commissioner of Insurance (Long Term Business), traveled to Washington, DC and New York at the end of November. The NAIC signed an MOU with Hong Kong

last summer to explore opportunities for greater collaboration. As part of the agreement, the NAIC welcomed the

MOU Creates NAIC-CIRC Joint Insurance Working Group

In furtherance of the NAIC's cooperation with the China Insurance Regulatory Commission (CIRC) under the 2002 MOU, NAIC President Iuppa signed an MOU to extend the **CIRC internship program** for 1 more year and to define formally create the **NAIC-CIRC Joint Insurance Working Group (JIWG)**. The Working Group will begin with a project team pulled together to study how to increase the role of commercial

opportunity to work more closely with representatives from Hong Kong. In addition to meeting with representatives from the NAIC's DC and NY office, Ms. Hon also met with the American Council of Life Insurers (ACLI), and the Office of Thrift Supervision (OTS). While Ms. Hon was in DC, she expressed her interest in the NAIC's accreditation program and understanding the US' risk based capital system and how to more effectively assess capital requirements. Ms. Hon noted that the UK's Financial Services Agency and the EU's Solvency II project are moving away from a rules based to a principles based system. Hong Kong is currently exploring different methods of dealing with capital requirements.

During Ms. Hon's visit to the NAIC's Securities Valuation Office, she learned about the role and the operational aspects of the SVO in respect to the other functions of the NAIC. As each jurisdiction must determine their path with respect to key issues such as principles based supervision, it is critical to discuss openly with other regulators their experience so that the NAIC and other non-US regulators can better assess our own situation.

NAIC Delegation Visits China
Meetings at and around IAIS Annual Conference

An NAIC delegation of commissioners and insurance department staff participated in a series of meetings at the IAIS Annual Meeting and Conference in Beijing, China from October 16-20, 2006. In addition to the meetings of IAIS committees and subcommittees, NAIC members participated in the IAIS Annual Conference. IAIS Members also exchanged views with government, private sector and academic experts in a series of meetings held on the margins of the IAIS activities.

IAIS Annual Conference

- NAIC President Alessandro Iuppa gave a **keynote speech** highlighting major projects of the IAIS that included the completion of Core Curriculum Project and the Solvency "Structure paper" (the intended goal is to enhance transparency and comparability of insurer solvency and of solvency regimes worldwide).

- Commissioner Walter Bell (AL) and Rob Esson (NAIC) chaired Conference panels on reinsurance and international accounting standards, respectively.
- Bi-lateral meetings took place with insurance regulators from **Russia, Hong Kong, Japan, Brazil** and **Vietnam**, which provided opportunities to further collaborate on issues pursuant to on-going regulatory cooperation.

Other Meetings

- NAIC President Iuppa and President Elect Walter Bell met with **Premier Wen Jiabao**. The NAIC members emphasized the importance of the insurance sector in overall economic expansion in China.
- A group of NAIC members met with representatives from **China's Securities Regulatory Commission (CSRC)**, the U.S. Embassy, American Chamber of Commerce and China Life. These meetings provided

opportunities for NAIC members to gain a better understanding of the Chinese insurance market and regulatory environment.

- Commissioner Morrison (MT) spoke to finance students at Beijing's **Central University** on the benefits of transparency in a regulatory regime.
- Commissioners Koken (PA) and Morrison met with representatives of **China Life**, involved with **China's Insurance Industry Standardization Technology Committee** to discuss China's interest in developing standards for regulatory reporting and analysis.
- President Elect Walter Bell met with the Commissioner of **CIRC's Shanghai office**, Tianan Insurance Company and AIG's China operation (AIA).

Puerto Rico Attends ASSAL Training Seminar

Deputy Commissioner Edward Rivera (PR) participated in the ASSAL Training Seminar in Cuzco, Peru, held November 21-24, 2006. The event was coordinated by the Latin America Association of Insurance Supervisors (ASSAL), the International Association of Insurance Supervisors (IAIS), the Inter-American Federation of Insurance Companies (FIDES), and the host for this year, the Superintendency of Banking, Insurance and Private Pension Fund Administrators of Peru (SBS).

The seminar offered participants the opportunity to exchange points of view on the present challenges and opportunities in regulation and supervision of insurance. The program included topics such as asset liability management; the market and the consumers; the external roll of the actuaries, auditors and the management like a part of the supervision process; and life insurance with a saving component. It also included special sessions focused on case studies to encourage greater interaction and debate.

Mr. Rivera gave a presentation during the roundtable session on factors boosting the development of the Latin American Insurance sector. This was a unique opportunity for Puerto Rico, who as both a member of the NAIC and ASSAL offered their expertise on the current trends in the Latin American market. During the meeting, Mr. Rivera handed out a survey of courses offered by the NAIC's Education Department to assess whether Latin American supervisors would be interested in participating in future programs designed for international regulators.

In addition, Mr. Rivera took the opportunity to reconfirm the NAIC's commitment to the completion of the NAIC-ASSAL MOU. The NAIC proposed a draft MOU in the Spring and looks forward to finalizing the MOU in the near future, which will serve as a catalyst for increased regulatory cooperation throughout Latin America.

INTERNATIONAL TRADE UPDATE

Free Trade Agreements (FTAs)

The U.S. held negotiations with Korea the week of December 4. The next round is scheduled for the week of January 15.

The U.S. will hold negotiations with Malaysia the weeks of January 8 and February 5.

WTO negotiations:

The WTO Doha negotiations (including those relating to services) are currently suspended.

U.S.-Japan Insurance Consultation

On December 7, Commissioner Tom Hampton (DC) participated via videoconference in a meeting with the Financial Services Agency and trade officials in Japan. The “consultation” is required to be conducted annually under the 1994 and 1996 Insurance Agreements between the U.S. and Japan. Commissioner Hampton’s role in the meeting was to address some of the U.S. regulatory practices that are viewed by the Japanese government as barriers to entry or full participation in the U.S. insurance market by Japanese insurers. The meeting also included an opportunity for the Office of the U.S. Trade Representative (USTR) to seek information and clarification of issues related to supervision of Japanese cooperatives (Kyosai) and bank sales of insurance products.

In addition, the USTR representative brought to the table a number of issues Japan faces in the privatization of the financial services component of Japan Post (Kampo). Earlier in 2006, the NAIC followed up on meetings with the FSA by providing an overview of the accounting and financial treatment of the “closed book” concept used in some U.S. demutualizations as analogous to the challenges faced by the Japanese government in bringing Kampo’s financial services business into the private sector. The principal concern of the U.S. is the maintenance of a level playing field in the Japanese insurance market, and assurances that all insurance activities in Japan are subject to the same rules and to oversight by the FSA.

INTERNATIONAL REGULATORY COOPERATION ACTIVITIES

NAIC Hosts 3rd Class of Interns

California, Hawaii, New York, and District of Columbia Host 8 Regulators

Fall Class of NAIC Interns 2006

Ms. Lucyneles Guerra (Brazil)
Ms. Brenda Pickering (British Virgin Islands)
Mr. GUO Jing (China)
Mr. LIU Zhifu (China)
Mr. SHU Gaoyong (China)
Ms. YUAN Yonghui (China)
Mr. WEI Guoqiang (China)
Mr. Seung-Chul Han (Korea)*
Ms. Marina Naydenova (Russia)**
Ms. Marina Kormanovskaya (Russia)**
*1 year internship
**Kansas City Training Program only

The NAIC’s Fall Internship Program began in Kansas City on October 31 and will end in Washington, DC on December 13th. While in Kansas City, the interns attended lectures on the U.S. system of insurance regulation at the NAIC’s headquarters, and visited two companies, Kansas City Life and Swiss Re. Kansas City Life, a life insurance company established in 1895, prepared an afternoon session, which included discussions on:

- 1) actuary, valuation and reserving;
- 2) regulation of company agents,
- 3) professional business practices for agents; and,
- 4) state and federal regulation of the company.

The interns were particularly interested in the requirements for insurance agents. The interns also had a chance to meet representatives from Swiss Re, including former NAIC President Glenn Pomeroy, who talked about Swiss

Re's role as the global leader in managing capital and risk and the importance of geographical diversification. The session complemented the NAIC training session on reinsurance given the practical application to the classroom discussion.

After a 4-day training session in Kansas City, eight regulators from China, the British Virgin Islands, Brazil and Korea traveled to their host states. The interns were matched based on their needs and on the availability of host states — Hawaii hosted Mr. SHU Gaoyong and Ms. YUAN Yonghui; New York hosted Mr. WEI Guoqiang; DC hosted Ms. Lucyneles Guerra and Ms. Brenda Pickering; and California hosted Mr. LIU Zhifu, Mr. GUO Jing and Mr. Seung-Chul Han. After spending a week in Kansas City, the interns traveled to their states. The interns' activities ranged from participating in an on-site examination, to learning about the different organizational structure of the host state department. To help ensure their program and experience in the program runs smoothly, each intern is placed together with a mentor during their stay in the state.

In addition, the interns traveled to the Winter National Meeting in San Antonio to gain better insight into how the NAIC functions. There they have a chance to attend many of the committee meetings and also meet with staff from the NAIC's Securities Valuation Office to understand the SVO's purpose and functions.

While in San Antonio, the eight interns also have a chance to exchange their views on the program with each other, the NAIC and with Dr. Rosita Chang, a Professor from the University of Hawaii, who serves as a consultant for the program. Upon leaving San Antonio, the interns will again have a chance to meet with representatives from the U.S. Insurance industry during the International Intern-Industry Roundtable, hosted by ACLI in Washington, DC. It is important that the non-US regulators are able to learn about the importance of establishing and maintaining a relationship between industry and regulators. While each country has developed its own way to communicate with the insurance industry, the NAIC feels it is important to show how the association makes every attempt to operate in an open and transparent manner. The interns will commence the program with a closing dinner and a visit to Capitol Hill.

The NAIC would like to thank the states for the hard work and commitment to the program and congratulate the fall class of 2006 for completion of the International Intern Program!

IN BRIEF

Regulation for the 21st Century

NAIC President Iuppa participated on a panel at the Barbon Institute's seminar, entitled "The Role of Insurance and the Management of Risk in the 21st Century" on September 15, in New York. In his discussion, Iuppa noted the increasingly important role the NAIC plays in the international insurance arena.

Wharton School Executive Education Leadership Program

NAIC President Iuppa addressed Chinese insurance company executives and regulators at a Wharton School Executive Education Leadership Program held in Philadelphia Commission on October 31. Iuppa gave two presentations, including an overview of state insurance regulation and the NAIC's international activities. He also highlighted the NAIC's increasing regulatory cooperation with the CIRC.

IAIS Committees and Subcommittees: UPDATE

The IAIS Annual Conference and Committee meetings took place in Beijing, China from October 16-20. The IAIS triennial committee meetings were held in conjunction with the Annual Conference and General Meeting from October 16 to 21 in Beijing, China.

The NAIC Delegation included: Superintendent Alessandro Iuppa, Commissioner Walter Bell, Commissioner Diane Koken, Commissioner Al Gross, Commissioner John Morrison, Commissioner John Oxendine, Superintendent Howard Mills, and New York Department of Insurance staff - Joe Fritsch, Joe De Mauro, and Kashyap Saraiya. The next IAIS Committee meetings will take place in Dubai, United Arab Emirates on February 12-15, 2007.

The following Committee report reflects activity through the October 2006 meetings in Beijing:

Executive Committee

- Elected NAIC President and Maine Superintendent Alessandro Iuppa to serve another 2-year term as chairman of the Executive Committee.
- Rejected NAIC proposal for drafting a standard on administrative transparency and regulatory due process. Opponents suggested that these rules were outside the authority of insurance supervisors; did not agree with the need to emphasize the importance of transparency in developing markets. A survey of Members was proposed.
- Received a report on the Financial Stability Forum meeting where issues discussed included offshore financial centers, risks and vulnerabilities to the financial sector, and avian flu.

Budget Committee

- Approved modifications to 2007 draft budget.

Financial Outlook Task Force

- Discussed work plans prepared in view of elaboration of the 2008-2012 financial outlook: draft work plan for standard setting, issues paper on IAIS training, responsibilities of the Secretariat and cooperation with other organizations.
- Reviewed work projects anticipated for 2008-2012 and paper on enhancing efficiency.
- Discussed creation of an Education Foundation to manage funding for IAIS training and implementation activities. Survey to potential contributors to be complete by January 2007.

Implementation Committee

- Core Curriculum Project – World Bank-funded project has been finalized; a CD-ROM with training materials covering each of the 28 IAIS Insurance Core Principles was distributed.
- Microinsurance Working Group – continues to work on an issues paper.
- Chairman (Canada) is leaving – candidates requested.

Regional Coordination Subcommittee

- Discussed role of regional coordinators, educational initiatives, recent/upcoming seminars.

Technical Committee

- Discussed creation of new Task Force on Corporate Governance, apart from the Solvency Subcommittee. Work to start by gathering existing information relative to insurance.
- Requested Reinsurance Subcommittee to plan future work on finite reinsurance.
- Approved issues paper and agreed to pursue future work on captives.

Accounting Subcommittee (*Being merged with Enhanced Disclosure Subcommittee*)

- Discussed IASB/FASB joint discussion paper on preliminary views on joint conceptual framework. (IASB – International Accounting Standards Board)

Enhanced Disclosure Subcommittee

- Having completed work on disclosures papers, the Subcommittee will be merged with the Accounting Subcommittee, with Henning Goebel (Germany) to chair.

Insurance Contracts Subcommittee

- Discussed possible IAIS work on “application guidance” re: principles-based regulation
- Comment letter on FAS157 Fair Value Measurements; major work on IASB discussion paper expected in 2007

Financial Conglomerates Subcommittee

- Discussed proposed Multi-lateral Memorandum of Understanding (MMoU) on information exchange. Involves application to IAIS by Members to join as signatories. Requires adequate showing of ability to preserve confidentiality of supervisory information.
- Proposed standard on streamlining group supervision,
- Heard presentation on Swiss risk assessment program.
- Discussed Joint Forum meeting – November 9-10.

Insurance Fraud Subcommittee

- Discussed possible future work to draft a Guidance Paper on Compliance

Insurance Laws, Regulations, Practices & Standards Subcommittee

- Reported on enhanced features added to the **Laws/Regulations Database**.

Pension Coordination Group

- Discussed coordination with OECD Working Party of Private Pensions and International Organization of Pension Supervisors (IOPS).
- Need to select new chairman.

Reinsurance & Other Forms of Risk Transfer Subcommittee

Reinsurance Mutual Recognition Subgroup

- Updated on survey on mutual recognition, and discussed response to G30 report on reinsurance.
- Future work on contract certainty (led by UK, Australia).

Reinsurance Transparency Group

- Continued work on the 2006 edition of its annual *Global Reinsurance Market Report*. [The report was recently published by the IAIS and will be submitted to the Financial Stability Forum.]

Solvency and Actuarial Issues Subcommittee [New chair: Rob Curtis (UK)]

- Work continues on draft *Common Structure for the Assessment of Insurer Solvency*.

IAIS Annual General Meeting

- Adopted papers:
 - Standard on Asset-Liability Management; Issues paper: Asset-Liability Management
 - Standard on disclosures concerning technical risks and performance for life insurers
 - Guidance paper on preventing detecting and remedying fraud in insurance
 - Revision of guidance paper on risk transfer, disclosure and analysis of finite reinsurance
 - Issues in regulation and supervision of *Takaful* (Islamic insurance)
 - Issues paper: Regulation and supervision of captive insurance companies

NAIC International Calendar

(Bold denotes active NAIC participation)

2006

Date	Meeting	Venue	Organizer
September 9-12	NAIC Fall National Meetings	St. Louis, MO	NAIC
September 11-15	ASEL Annual Conference/ Training Seminar	Brazil	ASEL, World Bank, IAIS
September 18-20	Seminar of the European Group of Insurance Economists	Barcelona, Spain	Geneva Association
September 18-21	IAIS Regional Seminar on Prudential Regulation and Supervision	Almaty, Kazakhstan	FSI, IAIS
September 19-20	Annual Meetings of the International Monetary Fund and the World Bank Group	Singapore	WTO
September 22	International Insurance Foundation (IIF) Symposium	Washington, DC	IIF
September 25	NAIC-EU Insurance Regulatory Dialogue	London, England	NAIC, CEIOPS
October 9-12	WTO: Council for Trade Services	Geneva, Switzerland	WTO
October 15-21	IAIS Triennial Meetings and Annual Conference	Beijing, China	IAIS
November 7-10	AITRI Seminar on Advanced Risk Management and Insurance Accounting	Jakarta, Indonesia	AITRI
November 12 – 16	CEIOPS Meeting	Frankfurt, Germany	CEIOPS
November 13-16	FSI, IAIS Seminar on Insurance Supervision for the Association of African Insurance Supervisory Authorities	Johannesburg, South Africa	IAIS, FSI
November 9-12	NCOIL Annual Meeting	Napa Valley, CA	NCOIL
November 13-15	IAIS Solvency Subcommittee	Rotterdam, Netherlands	IAIS
November 20-23	East Europe Regional Seminar	Poland	
November 21-24	ASSAL Training Seminar	Lima, Peru	ASSAL, IAIS
November 23-24	IAIS Insurance Laws Subcommittee	Bern, Switzerland	IAIS
November 22-24	Microinsurance Working Group Meeting	South Africa	IAIS
November 27-December 1	Africa Regional Seminar	South Africa	
December 4-6	Annual Seminar on Regulatory Issues for Senior Offices of Insurance Regulatory Agencies	Mumbai, India	Institute of Insurance and Risk Management, IAIS, FSI
December 9-12	NAIC Winter National Meetings	San Antonio, TX	NAIC
December 11-15	OECD Insurance Committee and its Working Parties	Geneva, Switzerland	OECD
December 20-21	WTO General Council	Geneva, Switzerland	WTO
2007			
January 17-19	IAIS Solvency Subcommittee	Johannesburg, South Africa	IAIS

February 1-2	Second Annual International and Offshore Insurance Symposium (IOIS)	Fajardo, Puerto Rico	IOIS
February 9	Financial Markets Regulatory Dialogue	Brussels, Belgium	European Union
February 12-15	IAIS Triennial Meetings	Dubai, UAE	IAIS
March (to be determined)	OGIS Level 1 Training Seminar	Venue to be decided	OGIS
March 1-4	NCOIL Meeting	Savannah, GA	NCOIL
March 10-13	NAIC Spring National Meeting	New York, NY	NAIC
March 28-30	IAIS Solvency Subcommittee	Tokyo, Japan	IAIS
May 14-18	OGIS Annual Working Meeting Level 3 Training Seminar	Venue to be decided	OGIS
May 28-31	IAIS Triennial Meetings	Basel, Switzerland	IAIS
June 2-5	NAIC Summer National Meeting	San Francisco, CA	NAIC
June 7-8	Conference of European Insurance Supervisory Services	Sofia, Bulgaria	Bulgarian Financial Supervision Commission
June 13-15	IAIS Solvency Subcommittee	London, UK	IAIS
July 19-22	NCOIL Meeting	Seattle, WA	NCOIL
September 18-20	IAIS Solvency Subcommittee	Sydney, Australia	IAIS
September 29 – October 2	NAIC Fall National Meeting	Washington, D.C.	NAIC
October 14-19	IAIS Annual Meeting and Annual Conference	Ft. Lauderdale, FL	NAIC
December 1-4	NAIC Winter National Meetings	Houston, TX	NAIC
December 11-13	IAIS Solvency Subcommittee	London OR Paris	IAIS
2008			
February 12-15	IAIS Triennial meetings	Basel, Switzerland	NAIC
March 28 – April 1	NAIC Spring National Meeting	Orlando, FL	NAIC
May 8-11	ASSAL Annual Conference	Rio de Janeiro, Brazil	ASSAL
May 31-June 3	NAIC Summer National Meetings	San Francisco, CA	NAIC
June 17-20	IAIS Triennial Meetings	Seoul, Korea	IAIS
September 20-23	NAIC Fall National Meeting	Washington, DC	NAIC
October 19-24	IAIS Triennial Meetings/Annual Conference	Budapest, Hungary	IAIS
December 6-9	NAIC Winter National Meeting	Grapevine, TX	NAIC
2009			
February 17-20	IAIS Triennial Meetings	Basel, Switzerland	IAIS
March 14-17	NAIC Spring National Meeting	San Diego, CA	NAIC
June 13-16	NAIC Summer National Meeting	Minneapolis, MN	NAIC
June 16-19	IAIS Triennial Meetings	Beirut, Lebanon	IAIS
September 19-22	NAIC Fall National Meeting	Washington, DC	NAIC
October 18-23	IAIS Triennial Meetings/Annual Conference	Rio de Janeiro, Brazil	IAIS
December 5-8	NAIC Winter National Meeting	Honolulu, HI	NAIC
2010			
February 9-12	IAIS Triennial Meetings	Basel, Switzerland	IAIS
June 15-18	IAIS Triennial Meetings	Venue to be decided	IAIS

List of Abbreviations

ASSAL	Association of Latin American Insurance Supervisors
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
CEIOPS	Committee of European Insurance and Occupational Pensions Supervisors
CIRC	China Insurance Regulatory Commission
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
IRDA	India Insurance Regulatory and Development Authority
NAFTA	North American Free Trade Agreement
NCOIL	National Conference of Insurance Legislators
OCC	Office of the Comptroller of the Currency
OECD	Organization for Economic Cooperation and Development
OGIS	Offshore Group of Insurance Supervisors
SEC	Securities and Exchange Commission
WTO	World Trade Organization

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