

International Regulatory Convergence—

IAIS and NAIC Respond

Overview

- Insurers ≠ banks
- IAIS
- NAIC
- FSAP
- Forecast

Insurers ≠ Banks

- Insurers are not systemically risky
- Insurers are shock absorbers

Who's in charge?



*Regulation is a key business risk...
Manage it. SM*

FSB Standing Committees

- Vulnerabilities Assessment
- Supervisory-Regulatory Cooperation
 - Cross-Border Cooperation on Crisis Mgt
- Standards Implementation
 - Experts Group

Joint Forum

- Analyzing regulatory gaps in—
 - Differences in nature of financial regulation
 - Group-wide supervision
 - Risk transfer products
 - Hedge funds
 - Consistent underwriting standards (mortgages)

IAIS Standard Setting

- Group supervision
 - Group solvency standards
 - Supervisory colleges
 - Cross-border information sharing
 - Non-regulated entities
- Financial stability

IAIS Standard Setting-2

- ICP review
- Common assessment framework
- Cross-border resolution
- Remuneration

NAIC

- CIPR
- Solvency Modernization Initiative
 - Articulate US principles
 - Evaluate other solvency tools
 - Create new framework for reinsurance
 - Move to PBR
 - Enhance group supervision

US FSAP

- NAIC self-assessment
- IMF interviewing trades
- IMF interviewing insurers
- IMF visiting 4 state departments
- Target—mid-2010
 - Publication voluntary

Forecast

- IAIS
- NAIC
- Treasury
- Congress

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