

International Report



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NAIC SIGNS MOU WITH THAILAND'S OFFICE OF INSURANCE COMMISSION

10th Agreement Signed on Regulatory Cooperation

On behalf of the NAIC, President Sandy Praeger (KS) signed a Memorandum of Understanding (MOU) on regulatory cooperation with Secretary General Chantra Purnariksha from Thailand's Office of Insurance Commission (OIC). The agreement was signed at NAIC National Meeting in San Francisco and recognizes the importance of developing a formal dialogue to promote greater regulatory cooperation among the two organizations.

In September 2007, Thailand's Department of Insurance was transformed into the Office of Insurance Commission, which was created to be an autonomous regulatory authority, supervised under the Finance Ministry. The mission of the OIC is to develop a progressive and competitive insurance industry that provides insurance services to consumers, according to international standards. To contribute to the strength of the Thai economy and society, the OIC must also actively support the role of the insurance industry, while also effectively protecting consumers. Within the OIC, there are three deputy posts under the Secretary General, who are responsible for three lines of administration - monitoring supervision, promotion and administration.

With MOUs currently in place with the China Insurance Regulatory Commission (CIRC), the Office of the Commissioner of Insurance of Hong Kong, Korea's Financial Supervisory Commission and Financial Supervisory Service (FSC) (FSS), and Vietnam's Department of Insurance, this agreement with Thailand further solidifies the NAIC's commitment to maintaining and developing new relationships in Asia through greater dialogue.

The participation of two Thai insurance supervisors, hosted by California and Nebraska, in the NAIC's Spring International Intern Program is one of the many opportunities the NAIC and the OIC have to exchange information and learn more about each other's regulatory framework.

The NAIC now has entered into 10 MOUs on regulatory cooperation, including signed agreements with Iraq, Egypt, Russia, Brazil, China, Vietnam, Hong Kong, Korea, and the ASSAL (Association of Latin American Insurance Supervisors). The NAIC also agreed to a model MOU on information exchange between EU supervisors and United States lead supervisors of insurance group members with transatlantic operations.

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- India: Financial & Economic Forum
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NAIC CONCLUDES SECOND SPRING INTERNATIONAL INTERN PROGRAM

9 Interns from 4 Countries Complete the Program

The NAIC's Spring International Intern Program will conclude the first week of June in Washington, DC. Nine interns have participated in the second spring International Intern Program, which included regulators from Serbia, Thailand, Egypt and Saudi Arabia. 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 this Spring's program, a total of 48 interns from 16 countries will have fully completed the training. To date, 20 U.S. jurisdictions have hosted international regulators as part of the NAIC's intern program including: Alabama, Arkansas, California, Colorado, District of Columbia, Georgia, Hawaii, Illinois, Kentucky, Massachusetts, Montana, Nebraska, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Ohio, Texas, and Washington.

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 states for the spring 2008 program included California, New York, Colorado, Washington, Nebraska and Alabama. Washington, Nebraska and Colorado are first time hosts. The program concludes with attendance at the NAIC Summer National Meeting in San Francisco, followed by an industry-regulator dialogue and a closing ceremony in Washington, D.C., June 4 - 6.

***If your state is interested in hosting an
International Intern,
Please contact Lauren Scott
(lscott@naic.org)***

2008 Spring Class of NAIC Interns

1. **Mr. Sobhi El Aziz (Egypt)**
Egyptian Insurance Supervisory Authority (EISA)
Public Relations Executive Coordinator
State Host: New York
2. **Mr. Hatem Eldin (Egypt)**
Egyptian Insurance Supervisory Authority (EISA)
Insurance Specialist (Policyholders Complaints
Department)
State Host: Colorado
3. **Ms. Eman El Samman (Egypt)**
Egyptian Insurance Supervisory Authority (EISA)
Actuarial Specialist
State Host: New York
4. **Mr. Ahmed Fouad Selim Mohamed (Egypt)**
Egyptian Insurance Supervisory Authority (EISA)
Second Actuarial Specialist
State Host: New York
5. **Mr. Hamad Almashary (Saudi Arabia)**
Saudi Arabian Monetary Agency (SAMA)
Insurance Supervisor
State Host: California
6. **Mr. Abdullah Alsayari (Saudi Arabia)**
Saudi Arabian Monetary Agency (SAMA)
Insurance Supervisor
State Host: Alabama
7. **Ms. Lidija Sehovic (Serbia)**
National Bank of Serbia (NBS)
Senior Expert Associate – Insurance Supervisor
State Host: Washington
8. **Dr. Aryusri Kumbunlue (Thailand)**
Office of Insurance Commission
Team Leader (Legal Department)
State Host: Nebraska
9. **Mr. Annart Wongpinitwarodom (Thailand)**
Office of Insurance Commission
Director of Examination, Planning and Development
Department
State Host: California

Dates for the Fall 2008 International Intern Program and tentative dates for the Spring 2009 program are:

Timeline for fall 2008 Program	Timeline for spring 2009 Program
NAIC Headquarters, Kansas City, Missouri Training: Dates: October 27– 31 Interns arrive on Saturday, October 25 and depart for Host State on Saturday, November 1	NAIC Headquarters, Kansas City, Missouri Training: Dates: May 3 – 8 Interns arrive on Saturday, May 2 and depart for Host State on Saturday, May 9
Host State—State Insurance Department Week 1: November 3 –7 Week 2: November 10 –14 Week 3: November 17 – 21 Week 4: November 24 –28 Week 5: December 1 – 5	Host State—State Insurance Department Week 1: May 11 –15 Week 2: May 18 – 22 Week 3: May 25 – 29 Week 4: June 1 – June 5 Week 5: June 8 – June 12
NAIC National Meeting - Grapevine, Texas Dates: December 6 – 9	NAIC National Meeting – Minneapolis, Minnesota Dates: March 14 –16
Closing Activities - Washington, DC Dates: December 10 – 12 Interns depart DC on Saturday, December 13	Closing Activities - Washington, DC Dates: June 17 – 19 Interns depart DC on Saturday, June 20

HUNGARY TO HOST IAIS ANNUAL CONFERENCE 2008



The 15th IAIS Annual Conference will be hosted by the Hungarian Financial Authority in Budapest, Hungary, October 14-17. The conference provides an excellent opportunity for representatives of the insurance profession to exchange views on new developments. The theme will be "Insurance and the Globalization of Financial Services: Challenges for Worldwide Regulation and Supervision" and will cover the following issues:

- Cooperation and transparency in crisis situations
- The impact of the future solvency standards
- Cross sectoral convergence
- Preconditions for standard implementation
- Reinsurance in modern finance
- Supervision of insurance groups
- Market conduct
- Application of insurance supervisory standards in specific circumstances

For additional information, please see <http://www.iais2008.org/>.

US-GERMAN MARSHALL FUND REPORT HIGHLIGHTS TRANSATLANTIC REGULATORY COOPERATION IN SERVICES

In 2007, Linda Schmid, an independent consultant for International Trade Policy and Development met with NAIC staff to help provide information for a report to the US-German Marshall Fund on “Transatlantic Regulatory Cooperation in Services, Can it help the developing world?”

Ms. Schmid’s study focused on the following topics:

- regulatory cooperation in the transatlantic services market;
- effective services regulation matters to the developed world;
- current weaknesses in developing countries’ regulatory systems;
- the current state of international regulatory cooperation; and
- what the EU and US should do to strengthen services markets in developing countries; and the importance of working together

The study discussed how the differences in regulatory approaches and philosophies cause transatlantic disagreement regarding how each should respond to specific challenges or market needs. To help communicate more effectively on issues of common concern, the EU-US dialogues have been developed to increase understandings

between policymakers on both sides of the Atlantic. The goal is to share best practices and lessons learned, and to minimize divergent regulatory approaches. Since 1999, the NAIC and the EU have held bilateral insurance dialogues to discuss issues of common concern.

Ms. Schmid argues that transatlantic cooperation on regulatory issues can also help the developing world to improve their services economies. In particular, for an emerging market’s ability to increase trade internationally and take advantage of greater trade liberalization, many nations have requested assistance from industrial countries and multilateral organizations.

Technical assistance dramatically helps developing economies build regulatory capacity and oversee evolving services markets effectively, equitably and efficiently. Therefore, strengthening regulatory structures, independence, and technical competence improves regulatory oversight and enforcement and allows developing countries to stimulate more dynamic services industries, according to Schmid. Please find the full report at: http://www.gmfus.org/doc/Schmid_Final.pdf

NAIC PARTICIPATES IN US-CHINA INSURANCE REGULATORY DIALOGUE

NAIC Continues Work with CIRC on Joint Insurance Working Group

NAIC President Sandy Praeger led a delegation including Commissioners Bell, Morrison and Cline to Shanghai and Beijing, China, the week of April 7th as part of the NAIC’s on-going regulatory cooperative efforts with the China Insurance Regulatory Commission (CIRC).

While in Shanghai, the delegation met with the head of the CIRC Shanghai Bureau, Mr. Sun Guodong. He provided a presentation on the structure of the Shanghai bureau; a briefing of the Shanghai insurance market, which includes 31 international insurance carriers and 44 international insurance

representative offices; and its mission to become an international financial center. To encourage the development of a world class financial hub, political stability, rapid economic growth and an open door policy were noted as critical components for Shanghai’s success.

CIRC Shanghai highlighted their work on consumer protection and their initiative to publicize consumer complaints as well as insurance contracts disputes on their website. In addition to bilateral discussions with CIRC Shanghai, the delegation visited a Chinese company called AllTrust Insurance to gain a

greater understanding on their business strategy. The company provides a full spectrum of services focusing on energy insurance and large commercial risk sectors.

PICC, the largest non-life insurer in China, hosted a meeting with the NAIC delegation. Vice President, Mr. Ding, provided an overview of the company. PICC was quite interested in work with respect to the EU's Solvency II initiative. The NAIC asked PICC if they were interested in expanding into the US and they noted the high level of sophistication in the US market posed a great deal of challenges. Mr. Ding noted a Joint Venture PICC had with AIG years ago in the US and how it failed.

During a visit with the US Embassy in Beijing, the NAIC provided a brief overview of their activities with CIRC, and discussed the most recent Joint Insurance Working Group project, the role of commercial insurers in China's health insurance market. CIRC hosted a meeting with Chairman Wu Dingfu and Vice Chairman Li Kemu. The discussion encouraged the continuation of the relationship between NAIC-CIRC and its importance. Vice Chairman Li talked about China's rapid growth, but how the private insurance industry is not yet fully developed and as a result have not met the demands of the extreme growth. Vice Chairman Li highlighted the role of pensions development in insurance, natural catastrophes, as well as the role insurance can play with respect to social security and asset management. The NAIC shared their experiences on these issues and responded to questions concerning Treasury "Blueprint" and the subprime issue.

Following the discussion with Vice Chairman Li and Chairman Wu, NAIC met with CIRC's international staff to determine the next topic for the Joint Insurance Working Group. The items discussed included asset management and natural catastrophes and the possibility of developing an Executive Level Leadership Seminar. We are still waiting for confirmation from CIRC as to which topic they have selected a proposal and to solidify the next steps for the Executive Leadership Seminar.

The delegation met with members of the insurance industry from the American Chamber of Commerce in Beijing. Companies included: Principal Life, Fairfax, ACE, Performance Institute, Wilmer Hale Law Firm and discussion focused on industry concerns in China's market.

US-China Insurance Regulatory Dialogue Brief

Chair of the International Committee, Commissioners Walter Bell (AL) and Vice Chair, Asia, for the International Committee, Commissioner John Morrison, traveled to Hangzhou, China to participate in the US-China Insurance Dialogue on May 16. The meeting was led by the US government and provided an opportunity for the US insurance industry, the NAIC and the US government to highlight and have pointed discussions on issues of common concern with the CIRC.

Commissioner Bell gave a presentation on highlights from the IAIS 2007 Annual Conference, which focused on the way to promote sound insurance markets and functional regulation. As a regulator from a gulf coast state, Commissioner Bell provided a detailed presentation on how to adequately respond to natural catastrophes. The devastating earthquake in Sichuan was a reminder of the importance of catastrophic risk insurance and of creating a successful structure to manage a crisis. During his participation, he also briefly highlighted NAIC's work on investment related insurance products and how insurance regulators focus on solvency and suitability. Commissioner Morrison, as co-author of the NAIC-CIRC Joint Seminar Summary Recommendations on health, discussed the findings from the paper. Commissioner Morrison also provided comments on the NAIC's interest in microinsurance and the importance of adequate regulation with respect to all microinsurance products, and the significance of proper oversight of internal company governance.

IN BRIEF

CHINA POST GROUP WINS APPROVAL TO SET UP LIFE INSURANCE UNIT

The China Insurance Regulatory Commission (CIRC) gave approval to China Post Group, a \$10 billion company formed out of the State Postal Bureau, to set up a life insurance unit in Beijing. China Post is expected to operate its insurance business through the postal network. China's movement to sell life insurance through the post office is in contrast to Japan's efforts to reform its postal system to promote a level playing field for all insurance companies.

NAIC JOINS US-INDIA FINANCIAL AND ECONOMIC FORUM

The NAIC will join U.S. financial regulators from the Federal Reserve, Treasury, OCC, OTS, SEC, CFTC and FDIC in the 2008 Financial and Economic Forum with India's financial regulatory counterparts in a meeting in Washington, DC on June 11. The forum is part of an on-going dialogue between financial policymakers in the two nations. Ray Spudeck (Florida Office of Insurance Regulation) participated in 2007's Forum in India, where the meeting was kicked off by Treasury Secretary Henry Paulson.

Several of the issues discussed last October will be carried over to the 2008 dialogue, including a focus on "financial inclusion" – the Indian government's efforts to extend the reach of financial services throughout the country. NAIC has provided input on the "InsureU" financial education initiative, and will comment in the June meeting on the recent adoption of a new charge under the NAIC's International Committee to join the global efforts to explore the development of risk spreading through microinsurance, especially in the rural areas. Regulators will also discuss India's regime for licensing foreign institutional investors, and the impact in India of the global financial market turmoil.

COMMISSIONERS JUARBE (PR) AND HOLLAND (OK) PRESENT AT ASSAL ANNUAL CONFERENCE

The NAIC participated in the Association of Latin American Annual Conference in Madrid, Spain, the week of May 19th. As both a member of ASSAL and the NAIC, Puerto Rico has been very active in the Latin American organization. Commissioner Juarbe participated on a panel on "Tools for anti money laundering in the insurance sector." Norma Rosas, CNSF, Mexico moderated the panel and other participants included: John Carlson, FATF Secretariat; and Yoshi Kawai, IAIS Secretary General.

The program sections highlighted how the insurance sector and other sectors of the financial services industry are at risk of being misused for money laundering and the financing of terrorism. The panel presented country experiences in designing and

implementing legal frameworks aimed to avoid ways of concealing illegitimate origin of funds. In addition to the panel on anti-money laundering, Commissioner Juarbe also provided insight on the renewal on a panel on supervisory techniques.

As a first-time participant, Commissioner Kim Holland (OK) led a discussion on how group supervision functions in the US. The focus of the discussion was on the practical implementation of insurance group and conglomerate supervision. Other panelists included Luis Armando Montenegro, SSF, El Salvador; François Tempé, ACAM, France; and Pedro French, SBS, Perú. The next ASSAL meeting will take place in San Salvador, El Salvador, November 11-14, 2008.

OECD INSURANCE COMMITTEE MEETS JUNE 26-27

Priorities Confirmed for 2009-2010

The Insurance and Private Pensions Committee of the Organization for Economic Cooperation and Development (OECD) will convene on June 26-27 in Paris. Participants from the 30 Member countries and private sector representatives will engage in discussions on a number of issues, including effective monitoring of insurance markets and the role of insurance statistics. A special task force on insurance statistics will meet on June 25 to improve the current OECD framework for global statistics on insurance markets. NAIC President Sandy Praeger and NAIC CEO Cathy Weatherford will represent US regulators in the US delegation led by the US Department of Commerce.

The Committee will also discuss corporate governance issues, related to its update of a paper applying the OECD Principles on Corporate Governance to insurance. In a meeting the previous day, Members of a special task force will also review a draft survey of industry and regulators on governance issues as part of a joint project with the IAIS Governance & Compliance Subcommittee.

The Committee will next turn its attention to the revised version of a stocktaking paper on “regulatory effectiveness and efficiency” drafted in collaboration with the OECD Committee on Financial Markets. The U.S. delegation will also make a brief presentation on the U.S. Treasury’s “Blueprint for a Modernized Financial Regulatory Structure.”

Annuities and the pay-out phase for private pensions will be discussed in relation to a policy paper and two background papers, one on the major types of annuities, and the other on the regulation of the pay-out phase. The Committee will conclude with discussions of financial education, and a project to address the financial management of large-scale catastrophes.

U.S.-EU TRANSATLANTIC ECONOMIC COUNCIL URGES PROGRESS ON INSURANCE ISSUES

NAIC to Report at U.S.-EU Financial Markets Regulatory Dialogue on June 6

U.S. and European policymakers met for the second Transatlantic Economic Council (TEC) in May, and issued a declaration calling for improvements in financial market harmonization.

The TEC was initiated at the EU-U.S. Summit in Washington, DC in 2007 by President Bush and German Chancellor Angela Merkel. Permanent members on the Council include the U.S. Secretaries of the Treasury and Commerce and the U.S. Trade Representative. The Council also established a Group of Advisors, including representatives of transatlantic legislative, consumer and business dialogues, to consult on priorities to be pursued.

Consistent with the TEC Framework, which calls for “convergence in the area of reinsurance regulation,” the Council report urged financial markets regulators “to make significant strides by the end of 2008 to identify steps that need to be taken to create a true level playing field for EU and US insurance companies in each other’s jurisdiction.”

The Framework acknowledges that the issues involving financial market structure and regulation are being actively pursued in the U.S.-EU Financial Markets Regulatory Dialogue (FMRD). The NAIC will provide a report on the status of the U.S.-EU Insurance Regulatory Dialogue at the FMRD which will be held on June 5. The Insurance Dialogue is the on-going discussion among U.S. and European regulators and supervisors on issues of common concern. In recent years, responding to political pressures from Europe, the Dialogue has focused on U.S. reinsurance requirements for unlicensed reinsurers to collateralize their U.S. liabilities under credit for reinsurance rules. The dialogue also provides US and EU regulators to discuss the EU's proposals under Solvency II including treatment of third countries.

[The International Insurance Relations (G) Committee is currently considering a proposed "Solvency Modernization Review" under which U.S. regulators would analyze significant solvency reforms in other jurisdictions. A key component of this effort would be to create a critical review of the EU's proposed "Solvency II" reforms as well as other financial regulatory reforms in other jurisdictions and in the banking sector.]

VIETNAM DELEGATION MEETS WITH NAIC EXPERTS IN KANSAS CITY

The NAIC welcomed a delegation from Vietnam's Ministry of Finance, Insurance Department and Vietnam's insurance industry representatives (AIA Vietnam, Prudential Life, Manulife) for a full day meeting at the NAIC's headquarters. The group met with the NAIC's Chief Managing Health and Life Actuary, Randall Stevenson. During this session, they were particularly interested in the roles and functions of CSO 1980 mortality table, its history, and experiences on database collection and human resource preparation. Tim Mullen, NAIC's Director of Market Regulation, provided a presentation on agent professionalism: licensing, training, administrating and requirements for agents who sell universal life products and variable life products. Todd Sells, Director of Financial Regulatory Services, answered questions on how the NAIC accumulates information using its electronic database and how the information in the database is used. They asked for a demonstration of IRIS ratios warning signals to show if and when problems may occur with a particular insurance company. To better understand the concept, NAIC staff reviewed how these tools were used to help with a company's annual filing.

While the delegation was in the US, they met with several US companies and the Actuarial Consortium. The NAIC signed an MOU with Vietnam in 2003 and 2 insurance supervisors participated in the NAIC's International Intern program, and were hosted by Oklahoma, in 2005.

The European Union has been actively engaged with Vietnam through its Technical Assistance Program for Vietnam (ETV2), which is funded by the European Commission in cooperation with the Government of Vietnam. The European Commission provides funding amounting to a total of €1,034,800 to support to the Vietnamese Government's three financial and economic institutions, the Ministry of Finance (MoF), Ministry of Planning and Investment (MPI) and Ministry of Science and Technology (MST). These ministries are central to the Government of Vietnam's current reform drive, in the framework of 2001-2010 socio-economic strategy plan and in line with the Government's Comprehensive Poverty Reduction and Growth Strategy (CPRGS). ETV2 was launched at the end of 2005 and will continue until August 2008.

IAIS Committees and Subcommittees: UPDATE

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 Committee meetings were held in Basel, Switzerland, March 3-7, 2008. NAIC participants included Commissioner Walter Bell (AL), Ray Spudeck (FL) and NAIC staff. The next IAIS Committee meetings will be held in Seoul, Korea, June 17-20 and the IAIS Annual Conference will be held in Budapest, Hungary, October 12-17, 2008.

Executive Committee

- Will meet June 16 and 18 in Seoul, Korea.
- Continues to discuss issues related to the financial turmoil and develop a response to the Financial Stability Forum regarding implementation of recommendations set forth in a report from the Working Group on Enhancing Market and Institutional Resilience.
- Works on plans for the 2008 Annual Conference in Budapest, Hungary.
- Discusses coordination with the Islamic Financial Services Board (IFSB).
- Considers changing the membership of the Technical Committee.
- Continues to refine the policy on participation by Observer members in IAIS activities.

Budget Committee

- Will meet June 16 in Seoul, Korea.
- Will discuss the IAIS investment strategy.
- Will hear a progress report from Hungary on the 2008 Annual Conference budget.

Technical Committee

- Will meet June 16 and 17 in Seoul, Korea.
- Will hold a hearing with Observer members from the private sector on issues related to valuation.
- Will review for further action several draft papers:
 - Principles on Group-wide Supervision
 - Guidance paper on Regulation and Supervision of Captive Insurers
 - Guidance paper on Mutual Recognition of Reinsurance Supervision
 - Revised standard on the Evaluation of the Reinsurance Cover of Primary Insurers and the Security of their Reinsurers
 - Standard on Risk Transfer, Disclosure and Analysis of Finite Reinsurance (revision and upgrade of guidance paper)
 - Guidance paper on the Role of a Group-wide Supervisor
 - Guidance papers and standards on Structure of Capital Requirements, Enterprise Risk Management for Solvency Purposes, and Internal Models for Single Entity
- Will discuss the recent financial turmoil and progress on numerous on-going work streams to address issues raised in discussions of the causes of the turmoil.
- Will review a draft comprehensive IAIS internal procedures manual.
- Will review a draft mandate for a new Market Conduct Subcommittee

Insurance Contracts Subcommittee

- Will meet June 26-27 in Rome
- Will review IASB developments, including an update on progress at IASB on Insurance Contracts and Revenue Recognition, and possible implication for IAIS workplans, and developments from the joint subgroup on valuation
- Will consider the possibility of field testing by the IAIS
- Will receive a presentation on behalf of GNAIE on *Settlement Value as a Measurement Attribute for Life and Non-life Insurance*
- Will review an outstanding issue from Phase II of the IASB Insurance Contracts Project: boundaries of a contract
- Will discuss proposed coordination on IASB insurance issues at Joint Forum

Governance and Compliance Subcommittee

- Will meet on June 26 in Seoul, Korea.
- Will finalize a survey of industry and regulators on corporate governance issues
- Will finalize modalities of cooperation with OECD on issues related to governance in the insurance sector.
- OECD will plan an industry roundtable on corporate governance at December meeting
- The Subcommittee will also provide oversight and support to the working group on Microinsurance and coordinate with the CGAP Working Group on Microinsurance

Insurance Groups & Cross-Sectoral Issues (formerly Financial Conglomerates) Subcommittee

- Will meet on June 27 in Seoul, Korea
- Will continue work on the Issues Paper on the Role a Group Supervisor.

Insurance Fraud Subcommittee

- Will hold an information session on June 18 in Seoul, Korea.
- Will work on training materials on the Guidance Paper on Fraud in Insurance
- Will finalize a self-assessment survey on the Standard on Fit and Proper Requirements and Assessment for Insurers
- Will continue to study the possibility of an IAIS fraud database

Reinsurance and Other Forms of Risk Transfer Subcommittee

- Met in San Francisco on May 29 and 30.
- Worked on the paper on the “Evaluation of the Reinsurance Cover of Primary Insurers and the Security of their Reinsurers”
- Guidance Paper on Finite Reinsurance will be updated by the IAIS Annual Conference in 2008.

Reinsurance Mutual Recognition Subgroup

- Finalized work on the Discussion Paper on Reinsurance Mutual Recognition.
- Plan to finalize Guidance Paper on Mutual Recognition at the AGM in 2008.

Reinsurance Transparency Group

- 2007 Global Reinsurance Market Report was completed in November 2007.
- Agreed on timetable and work plan for 2008 Global Reinsurance Market Report.

Solvency and Actuarial Issues Subcommittee

- Met in San Francisco on May 28-30.
- Completed drafts of guidance papers and standards on Structure of Capital Requirements, Enterprise Risk Management for Solvency Purposes, and Internal Models for Single Entity

- Continued work on the solvency chapters of the Group Issues paper. The Group Issues paper is being co-written with the Insurance Groups Subcommittee.
- Solvency standards and updated guidance papers on the structure of capital, enterprise risk management, and internal models are expected to be adopted this year at the Technical Committee. Work continues on the standards and guidance for capital resources and asset/liability valuation.
- Continues collaboration with the International Actuarial Association on the development of application guidance for the future solvency standards.

Implementation Committee

- Will meet in Seoul—June 18
- Will receive updates from the regional coordinators, Insurance Laws Database Subcommittee on the Internet tool for ICP Self-assessment and common IT platform for standard implementation activities, including incorporation of MMOU
- Will receive an update on the Implementation Approvals Committee's comments on the IAIS Education Project
- Will Review the draft agreement on co-financing project for developing Russian translation of Core Curriculum and coordinate with relevant parties

Implementation Activities Approval Subcommittee

- Will meet in Seoul—June 17
- Will discuss upcoming regional seminars, IAIS Education Project, development of teaching notes

Task Force on Information Gathering and Analysis

- Will meet in Seoul— June 17
- Will discuss future work program, including the *Draft proposal for the content of the Guidance paper*
- Will review material submitted by members NAIC

Regional Coordination Subcommittee

- Will meet in Seoul— June 17
- Will review funding requests must be submitted by regional coordinators for regional seminars for 2009

IAIS-CGAP Joint Working Group on Microinsurance

- Commissioner Oxendine, new NAIC representative for JWG attended the meeting in Hyderabad, May 12-13
- Discussion included: inputs to the ICP Revision Task Force, approval of teaching notes for *Issues paper on Regulation and supervision of microinsurance*, next steps for Survey on Mutuals, Funding proposal for A Global Initiative for Enabling Regulatory and Supervisory Frameworks for Microinsurance; draft Workplan of Subgroup of Microinsurance and IAIS-CGAP JWG for 2009-2010 and 2010-11 - for consideration by IAIS Technical Committee in June 2008
- Reviewed organization of FSI Conference in Basel on Integrating Microinsurance into Financial System
- Will meet in Basel— September 15-16

Insurance Core Principle (ICP) Review Task Force

- Commissioner Mike Geeslin (TX) participated in drafting group meeting in DC week of May 19 to discuss ICPs 18-23/prudential requirements
- Reviewed terms of reference, proposed work program and individual ICPs
- Next ICP Review Task Force meeting will take place week of July 20

Insurance Laws, Regulations, Practices & Standards Subcommittee

- Will meet in Budapest— October
- Will hold an information session in Seoul at the IAIS Global Seminar

Pension Coordination Group

- Met in April 2008 and reviewed draft guidelines for the assessment of pension funds by supervisory authorities

NAIC International Calendar

(**Bold** denotes active NAIC participation)

2008			
Date	Meeting	Venue	Organizer
March 29-31	NAIC Spring National Meeting	Orlando, FL	NAIC
March 31-April 3	AITRI Regional Workshop for Insurance Supervisors in Emerging Markets in Asia	Phnom Penh, Cambodia	IAIS
March 31-April 4	FSI Seminar on Advanced Risk Management Practices in the Insurance Industry	Hergiswil, Switzerland	FSI
April 1-4	Regional Workshop for Insurance Supervisors in Emerging Markets in Asia	Kuala Lumpur, Malaysia	AITRI
April 2	CEIOPS hearing: Solvency 2 and Group Supervision	Frankfurt, Germany	CEIOPS
April 2-4	The 4 th Contractual Savings Conference: supervisory and Regulatory Issues in Private Pensions and Life Insurance	Washington, DC, USA	World Bank, IFC, IOPS
April 3-4	Geneva Association Progres Seminar	Geneva, Switzerland	Geneva Association
April 7-15	NAIC-CIRC Bilateral Meeting	Shanghai/Beijing, China	NAIC
April 8	US-China JEC/FSWG	Washington, DC	U.S. Treasury
April 9-11	IAIS Solvency and Actuarial Issues Subcommittee	Hamilton, Bermuda	IAIS
April 14-15	IAIS Governance and Compliance Subcommittee	Paris, France	IAIS
April 21-22	IAIS Insurance Fraud Subcommittee	London, UK	IAIS
April 21-23	IAIS Reinsurance Transparency Subgroup	Hamilton, Bermuda	IAIS
April 23-25	US Commerce Dept. Health-Care Policy Trade Mission	Beijing, China	U.S. Dept. of Commerce
April 24-25	IAIS Insurance Groups and Cross-sectoral Issues Subcommittee	Paris, France	IAIS
May 7-8	OECD/US Treasury International Conference on Financial Education	Washington, DC,	OECD/US Treasury
May 7-9	OGIS Working Meeting	Haywards Heath, UK	OGIS

May 12-13	IAIS-CGAP Joint Working Group on Microinsurance	Hyderabad, India	IAIS
May 13	US-EU Transatlantic Economic Council	Brussels, Belgium	Treasury, EU Commission
May 15	US-China Insurance Regulatory Dialogue	Hangzhou, China	USTR, CIRC, NAIC
May 19	US-Japan Regulatory Reform Initiative	Washington, DC	U.S. Treasury
May 19-23	IAIS-ASSAL Training Seminar	Madrid, Spain	ASSAL
May 20-22	FSI Seminar on Reinsurance and Other Risk Transfers	Basel, Switzerland	FSI
May 22-24	CEIOPS Members' Meeting	Rome, Italy	CEIOPS
May 25-31	Toronto Centre Leadership Program	Toronto, Canada	Toronto Centre
May 27-30	IAIS Regional Seminar on Risk-based Solvency & Dealing with Troubled Companies	Belgrade, Serbia	National Bank of Serbia, IAIS, FSI
May 28-30	IAIS Solvency and Actuarial Issues Subcommittee	San Francisco, CA	IAIS
May 29-31	IAIS Reinsurance Subcommittee	San Francisco, CA	IAIS/NAIC
May 31-June 2	NAIC Summer National Meeting	San Francisco, CA	NAIC
June 5	US-EU Financial Markets Regulatory Dialogue	Washington, DC Video conference	US Treasury, EU Commission
June 11	India FSWG	Washington, DC	U.S. Treasury
June 11-13	International Actuarial Association	Québec City, Canada	IAA
June 12-14	CEIOPS Members' Meeting	Bucharest, Romania	CEIOPS
June 16-18	IAIS Triannual Meetings	Seoul, Korea	IAIS
June 18-20	IAIS/FSS Korea Global Seminar	Seoul, Korea	IAIS, FSS Korea
June 19	IAIS Governance & Compliance Subcommittee	Seoul, Korea	IAIS
June 19-20	Joint Forum	Washington, DC	OCC
June 20	IAIS Insurance Groups & Cross-sectoral Issues Subcommittee	Seoul, Korea	IAIS
June 25	IAIS Accounting Subcommittee	Rome, Italy	IAIS, ISVAP
June 26-27	OECD Insurance Committee	Paris, France	OECD
June 26-27	IAIS Insurance Contracts Subcommittee	Rome, Italy	IAIS, ISVAP
July (tbd)	IAIS Mutual Recognition and Finite Reinsurance Drafting Group	New York/New Jersey	IAIS
July (tbd)	IAIS Reinsurance Transparency Group	New York/New Jersey	IAIS
July (tbd)	IAIS Insurance Fraud Subcommittee	Europe (tbd)	tbd
July 10-13	NCOIL 2008 Summer Meeting	New York	NCOIL
July 14-17	NAIC 2008 Commissioners Forum	Kansas City, MO (NAIC Headquarters)	NAIC
July 21-22	IAIS Core Principle Review Task Force	Paris or London	IAIS
July 21-25	FSI 4 th International Insurance Supervision Seminar	Beatenberg, Switzerland	FSI
August 25-29	NAIC-Brazil Training on InsureU	Rio de Janeiro, Brazil	SUSEP
September	IAIS Insurance Laws, Regulations, Practices & Standards Subcommittee	Vienna, Austria	IAIS
September, first week	IAIS Reinsurance Subcommittee	Tokyo, Japan	IAIS/FSA Japan

September (4 days)	IAIS Managing Risk in Captive Insurance Companies	Cayman Islands	IAIS, OGIS, Cayman Monetary Authority
September 9-11	IAIS Solvency and Actuarial Issues Subcommittee	Guernsey	IAIS
September 16-18	IAIS-CGAP Conference on Microinsurance	Basel, Switzerland	FSI/CGAP
September 22-24	NAIC Fall National Meeting	Washington, DC	NAIC
September 30-October 2	FSI Seminar on Evolving Risk-based Solvency Frameworks and Valuation Methods for the Insurance Industry	Basel, Switzerland	FSI
October 12-17	IAIS Triannual Meetings/Annual Conference	Budapest, Hungary	HFSA/IAIS
October 18	IAIS Executive Retreat	Budapest, Hungary	IAIS
October 23-25	CEIOPS Members' Meeting	Frankfurt, Germany	CEIOPS
October 27-30	2008 NAIC Financial Summit	Tampa, Florida, USA	NAIC
October 29-31	IAIS – The New Solvency Requirements	Bucharest, Romania	Romanian Ins. Supervisory Commission
November - tbd	IAIS Insurance Fraud Subcommittee – [tent.]	Europe (tbd)	tbd
November - tbd	IAIS Reinsurance Subcommittee	Asia/Pacific	IAIS
November 3-6	Regional Seminar on Effective Insurance Supervision	Accra, Ghana	National Insurance Commission, Ghana
November 2-8	IAIS-CGAP Joint Working Group on Microinsurance	Cartagena, Columbia	IAIS
November 6-7	Joint Forum	Sydney, Australia	ASIC & APRA
November 11-13	IAIS Solvency and Actuarial Issues Subcommittee	Bonn, Germany	IAIS
November 11-14	IAIS-ASSAL Training Seminar	San Salvador, El Salvador	IAIS, ASSAL, FIDES
November 17-19	IAIS 7 th MENA Regional Seminar on Licensing, Ownership and Business Transfers, and Group-wide Supervision	Amman, Jordan	Insurance Commission, Jordan, IAIS FSI, AFIRC
November 17-19	IAIS Regional Seminar on Enterprise Risk Mgmt (ERM) under IAIS ICPs	Taipei, Chinese Taipei	Financial Supervisory Commission, Taipei, IAIS, FSI
November 19-20	CEIOPS Members' Meeting	Frankfurt, Germany	CEIOPS
November 20-23	NCOIL 2008 Annual Meeting	Hawk's Cay Resort, Duck Key, Florida	NCOIL
December	IAIS Contract Certainty Drafting Group	London, UK [tent.]	IAIS
December	IAIS Securitization Drafting Group	Hamilton, Bermuda [tent.]	IAIS
December 6-9	NAIC Winter National Meeting	Grapevine, TX	NAIC
2009			
January 25-29	IAIS Executive Committee Retreat	Brussels, Belgium	IAIS
February 17-20	IAIS Triannual Meetings	Basel, Switzerland	IAIS
March 14-16	NAIC Spring National Meeting	San Diego, CA	NAIC
June 13-15	NAIC Summer National Meeting	Minneapolis, MN	NAIC
June 22-23	IAIS Global Seminar	Beirut, Lebanon	IAIS
June 24-26	IAIS Triannual Meetings	Beirut, Lebanon	IAIS

September 21-23	NAIC Fall National Meeting	Washington, DC	NAIC
October 19-24	IAIS Triannual Meetings/Annual Conference	Rio de Janeiro, Brazil	SUSEP/IAIS
December 5-7	NAIC Winter National Meeting	Honolulu, HI	NAIC
2010			
February 9-12	IAIS Triannual Meetings	Basel, Switzerland	IAIS
March 27-29	NAIC Spring National Meeting	Denver, CO	NAIC
June 12-14	NAIC Summer National Meeting	Seattle, WA	NAIC
June 21-22	IAIS Global Seminar	Taipei, Chinese Taipei	IAIS, Financial Supervisory Commission
June 23-25	IAIS Triannual Meetings	Taipei, Chinese Taipei	IAIS
September 19-22	NAIC Fall National Meeting	Washington, DC,	NAIC
October 17-22	IAIS Triannual Meetings/Annual Conference	Dubai, UAE	IAIS
December 4-6	NAIC Winter National Meetings	New Orleans, LA	NAIC
2011			
February	IAIS Triannual Meetings	Venue to be decided	IAIS
March 26-28	NAIC Spring National Meeting	Austin, TX	NAIC
June	IAIS Triannual Meetings	Venue to be decided	IAIS
June 4-6	NAIC Summer National Meeting	Philadelphia, PA	NAIC
September 10-12	NAIC Fall National Meeting	Washington, DC	NAIC
October (tbd)	IAIS Triannual Meetings/Annual Conference	Seoul, Korea	IAIS
December 3-5	NAIC Winter National Meeting	Atlanta, GA	NAIC

List of Abbreviations

ASSAL Association of Latin American Insurance Supervisors
BIS Bank for International Settlements
CEIOPS Committee of European Insurance and Occupational Pensions Supervisors
CBFA Commission Bancaire, Financiere et des Assurances (Belgium)
CIRC China Insurance Regulatory Commission
EU European Union
FSF Financial Stability Forum
FSI Financial Stability Institute
FSWG *Financial Sector Working Group*
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
WTO World Trade Organization

The “International Report” is produced by the International Relations Staff of the NAIC (for the use of NAIC members). If you would like further information regarding any of the issues addressed in these articles, please contact the NAIC’s Office of Government and International Relations in Washington, DC at:

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