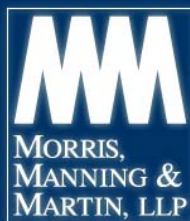


The Federal Regulation of Insurance

Association of Insurance Compliance Professionals – Gulf States Chapter

Education Day 2009

Atlanta, Georgia



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Overview

1. The Current Structure of Insurance Regulation
2. How Did We Get Here
3. Recent White Papers and Federal Review of the Regulation of the Insurance Industry
4. Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)
5. State/NAIC Response to Federal Interest
6. Behold, the World of Tomorrow!



The Current Structure of Insurance Regulation

- States regulate insurance and coordinate national issues through the NAIC - there is historically little direct federal involvement
- The mission of the NAIC is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost effective manner, consistent with the wishes of its members:
 - Protect the public interest;
 - Promote competitive markets;
 - Facilitate the fair and equitable treatment of insurance consumers;
 - Promote the reliability, solvency and financial solidity of insurance institutions; and
 - Support and improve state regulation of insurance.



The Current Structure of Insurance Regulation

- NAIC initiated an accreditation process for insurance departments in 1990 as a way to encourage states to enact a core set of NAIC model solvency regulations and maintain minimum standards of solvency regulation. All states except New York are accredited and New York is now working towards accreditation.
- Regulation of insurance industry is almost exclusively through state Departments of Insurance
- 12 Commissioners of Insurance are elected and the remainder are appointed (11 states and USVI)
- State regulatory focus is on five areas:
 1. Rate regulation
 2. Insurer Solvency
 3. Unfair trade and claims settlement practices
 4. Coverage requirements
 5. Licensing and regulation of service providers and related parties



How Did We Get Here

- The early years (1780 to 1860) - agitation for federal involvement.
- Insurance was originally regulated by the states - but very lightly so.
- By the 1860s insurers were already agitating for a federal based system of regulation to replace the disparate state regulatory scheme. By this time, banks were already federally regulated through the National Bank Act.



How Did We Get Here

- ***Paul v. Virginia, 75 U.S. 168 (1869) – Affirms state regulation – the industry loses***



- Attempt by proponents of federal regulation (NY insurers) to force the Supreme Court to reject the state based regulatory system mainly under the commerce clause - which states generally that Congress is the sole regulator of interstate commerce.
- The plan didn't work -- Homer Simpson moment (d'oh!) -- the Court held that "issuing a policy of insurance is not a transaction of commerce," which left regulation of insurance to the states and outside of Congress' powers under the Commerce Clause.
- NAIC formed in 1871 in response to this decision.





How Did We Get Here

- By 1919, thirty-six states had separate departments of insurance to administer insurance statutes.
- By 1930, most insurance departments were given greater authority to collect financial information from insurers and tasked with preserving insurer insolvency.
 - Some authority was granted over policy forms and unfair trade practices.
- By 1944, comprehensive insurance regulation was in place in all areas but ratemaking.



How Did We Get Here

- ***United States v. South-Eastern Underwriters Assoc.*, 322 U.S. 533 (1944) - Upends *Paul v. Virginia* and state based regulation – the industry loses...again.**



- Brought by Attorney General of Missouri - who was frustrated with the ineffectiveness of state ratemaking regulation and wanted federal involvement - sought a ruling that insurance was commerce and subject to federal antitrust laws.
- By a 4-3 decision, ruled that insurance was commerce and thus subject to congressional authority under the Commerce Clause.
- Homer Simpson moment (d'oh!) - ironically, the industry now preferred the generally lax regulation of the state authorities.
- No way to overturn the Supreme Court - but Congress could refuse to regulate insurance.





How Did We Get Here

- **McCarran-Ferguson Act - 15 U.S.C. §§ 1011 et seq. (1945) - Legislation proposed by the NAIC to preserve the state based regulatory system unless a federal law specifically applies to insurance. The industry wins!**
 - Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States. - 15 U.S.C. § 1011.
 - (a) State regulation

The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.
 - (b) Federal regulation

No Act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, **unless such Act specifically relates to the business of insurance**: Provided, That [the Sherman Act], and [Clayton Act], and [the Federal Trade Commission Act], shall be applicable to the business of insurance to the extent that such business is not regulated by State Law. - 15 U.S.C. § 1012 (**emphasis added**).
 - Nothing contained in this chapter shall render the said Sherman Act inapplicable to any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation. - 15 U.S.C. § 1013(b).



How Did We Get Here

- What does it all mean?
 - Essentially, the McCarran-Ferguson Act gave state regulation of insurance supremacy over federal laws to the extent that states choose to regulate insurance.
 - State action has typically been prodded by federal interest, but feds have not been afraid to act when sufficiently prompted:
 - Mid-1950s FTC began looking at insurer advertising - by 1963 all states adopted unfair trade practices laws.
 - 1960s and early 1970s - DOT inquiry over automobile insurance rates - majority of states adopt some kind of no-fault statute and about half reform tort system.
 - National Flood Insurance Act - 1968 – Established the National Flood Insurance Program (“NFIP”) to enable property owners in participating communities to purchase insurance protection from the government against losses from flooding.
 - Employee Retirement Income Security Act (“ERISA”) - 1974 - ERISA established minimum standards for pension plans in private industry and provides for extensive rules on the federal income tax effects of transactions associated with employee benefit plans.
 - 1990s Risk Based Capital framework developed in response to congressional criticism of state regulation of insurer solvency.



How Did We Get Here

- Gramm-Leach-Bliley Act ("GLBA") - 1999 - repealed part of the Glass-Steagall Act of 1933, opening up the market among banks, securities companies and insurance companies. The Glass-Steagall Act prohibited any one institution from acting as both an investment bank and a commercial bank, or as both a bank and an insurer.
 - » Section 321 of the GLBA required at least 29 states to meet either its uniformity or reciprocity requirements by November 12, 2002, in order to avoid state law preemption and the formation of a national body for licensing of insurance agents, the National Association of Registered Agents and Brokers (NARAB).
 - » States, through the NAIC, elected to pursue the reciprocity option which requires states to enact reciprocal laws and regulations governing the licensure of nonresident individuals and entities, and largely defer to the home state's requirements. The NAIC certified whether states achieved reciprocity based on a four-pronged standard developed by the NAIC's NARAB Working Group. The Producer Licensing Model Act (PLMA) was adopted and consequently enacted in 39 states. In August 2002, the NARAB Working Group issued its report and certified 35 states with the GLBA reciprocity certification. Currently, all states accept the National Insurance Producer Registry non-resident licensing uniform applications. As of March 2009, 47 states were certified as meeting the GLBA reciprocity requirements (California, Florida, New York and Washington were not certified).
- Terrorism Risk Insurance Act ("TRIA") - 2002 - TRIA created a federal "backstop" for insurance claims related to acts of terrorism. Renewed in December 2005 and 2007. TRIA now extends until December 31, 2014.



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

- Bush Treasury Blueprint for a Stronger Regulatory Structure - June 2008
 - "We should and can have a structure that is designed for the world we live in, one that is more flexible, one that can better adapt to change, one that will allow us to more effectively deal with inevitable market disruptions and one that will better protect investors and consumers. The challenge is to evolve to a more flexible, efficient and effective regulatory framework – and that is the purpose of this Blueprint." - Treasury Secretary Henry M. Paulson, Jr.
 - The main concern was that the lack of uniformity across state insurance regulation can lead to inefficiencies and undue regulatory burden, and can directly limit insurers' ability to compete across state boundaries and international borders.
 - Recommended the establishment of a federal regulatory structure to provide for the creation of an optional federal charter.
 - As an intermediate step, recommended the formation of the Federal Office of Insurance Oversight within Treasury to establish a federal presence in insurance for international and regulatory issues.
 - Federal regulatory structure would not include rate regulation - which was criticized as being inefficient when the regulatory focus was on solvency.



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

- GAO Report – Insurance Reciprocity and Uniformity: NAIC and State Regulators Have Made Progress in Producer Licensing, Product Approval, and Market Conduct Regulation, but Challenges Remain – April 2009
 - GAO was asked to review the areas of (1) producer licensing, (2) product approval, and (3) market conduct regulation, in terms of progress by NAIC and state regulators to increase reciprocity and uniformity, the factors affecting this progress, and the potential impacts if greater progress is not made.
 - Reciprocity of producer licensing among states has improved, but consumer protection and other issues present challenges to uniformity and full reciprocity.
 - State regulators' processes to approve insurance products have become more efficient, but barriers exist to greater reciprocity and uniformity.
 - » Positive gains from use of SERFF, with limited gains from the Compact. It was noted that the Compact will not likely apply to P&C due to differences in state laws.
 - NAIC and the states have taken steps to improve reciprocity and uniformity of market conduct regulation, but variation across states has limited progress



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

- GAO Recommendations:

- 1) As Congress considers changes to its oversight of the insurance industry, it explore ways to ensure all states and jurisdictions can conduct nationwide criminal background checks as part of their producer licensing and consumer protection functions.
- 2) The NAIC and state insurance regulators work with the insurance industry to identify product approval differences among state regulators and improve how consistently state regulators review and approve product filings once received through SERFF.



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

- Obama Treasury Financial Regulatory Reform A New Foundation: Rebuilding Financial Supervision and Regulation – June 2009
 - Organized around five key objectives:
 1. Promote robust supervision and regulation of financial firms
 2. Establish comprehensive supervision of financial markets
 3. Protect consumers and investors from financial abuse
 4. Provide the government with the tools it needs to manage financial crises
 5. Raise international regulatory standards and improve international cooperation



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

- Would establish the Office of National Insurance (ONI) within Treasury
 - ONI would be responsible for monitoring all aspects of the insurance industry and would be responsible for identifying the emergence of any problems or gaps in regulation that could contribute to a future crisis. ONI would also recommend to the Federal Reserve those insurance companies that are so large that their failure would create a systemic risk to financial stability (a so called Tier 1 FHC). Tier 1 FHCs would be regulated by the Federal Reserve and subject to the Bank Holding Company Act.
 - ONI would be responsible for administering TRIA.
 - ONI would represent the United States in the International Association of Insurance Supervisors.
 - Does not call for an optional federal charter.



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

- Treasury will support proposals to modernize insurance regulation based on six principles:
 1. *Effective systemic risk regulation with respect to insurance.* The steps proposed in this report, if enacted, will address systemic risks posed to the financial system by the insurance industry. However, if additional insurance regulation would help to further reduce systemic risk or would increase integration into the new regulatory regime, we will consider those changes.
 2. *Strong capital standards and an appropriate match between capital allocation and liabilities for all insurance companies.* Although the current crisis did not stem from widespread problems in the insurance industry, the crisis did make clear the importance of adequate capital standards and a strong capital position for all financial firms. Any insurance regulatory regime should include strong capital standards and appropriate risk management, including the management of liquidity and duration risk.



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

3. *Meaningful and consistent consumer protection for insurance products and practices.* While many states have enacted strong consumer protections in the insurance marketplace, protections vary widely among states. Any new insurance regulatory regime should enhance consumer protections and address any gaps and problems that exist under the current system, including the regulation of producers of insurance. Further, any changes to the insurance regulatory system that would weaken or undermine important consumer protections are unacceptable.
4. *Increased national uniformity through either a federal charter or effective action by the states.* Our current insurance regulatory system is highly fragmented, inconsistent, and inefficient. While some steps have been taken to increase uniformity, they have been insufficient. As a result there remain tremendous differences in regulatory adequacy and consumer protection among the states. Increased consistency in the regulatory treatment of insurance – including strong capital standards and consumer protections – should enhance financial stability, increase economic efficiency and result in real improvements for consumers.



Recent White Papers and Federal Review of the Regulation of the Insurance Industry

5. *Improve and broaden the regulation of insurance companies and affiliates on a consolidated basis, including those affiliates outside of the traditional insurance business.* As we saw with respect to AIG, the problems of associated affiliates outside of a consolidated insurance company's traditional insurance business can grow to threaten the solvency of the underlying insurance company and the economy. Any new regulatory regime must address the current gaps in insurance holding company regulation.
 6. *International coordination.* Improvements to our system of insurance regulation should satisfy existing international frameworks, enhance the international competitiveness of the American insurance industry, and expand opportunities for the insurance industry to export its services.
- OFC may still be an option, the white paper calls for "increased national uniformity through either a federal charter or effective action by the states."



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- National Insurance Consumer Protection Act (H.R. 1880) – OFC Bill.
- Summary:
 - Creates an optional parallel, national system of regulation for insurers, agencies and producers similar to the dual banking regulatory system.
 - Companies that pose a systematic risk would be forced to be regulated by the feds.
 - Establishes in the Department of the Treasury the Office of National Insurance (ONI), headed by a Commissioner, with regulatory oversight over national insurers and national insurance agencies.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Authorizes the Commissioner to: (1) examine national insurers or national insurance agencies; (2) impose fees on national insurers, national insurance agencies, and national insurance producers; (3) revoke the charter of a national insurer or national insurance agency for specified cause, (4) implement enforcement powers, including cooperation with foreign governments; (5) secure bilateral and multilateral agreements with foreign insurance regulators and regional and global regulatory organizations; and (6) license individual persons as a national insurance producer.
- Establishes: (1) the Coordinating National Council for Financial Regulators; and (2) the National Insurance Guaranty Corporation.
- Prescribes procedures for conservatorship, receivership, benefits and claims payments, and assessments on national insurers.
- Status - Introduced on April 2, 2009 and referred to committee.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Insurance Information Act of 2009 (H.R. 2609).
 - Bill is based on March 2008 recommendations in Treasury Blueprint
 - Would create the Office of Insurance Information within Treasury to:
 - Collect and analyze data on insurance;
 - Advise the Secretary of the Treasury on major domestic and international policy issues;
 - Report to Congress every two years;
 - Establish federal policy on international insurance matters; and
 - Ensure that state insurance laws remain consistent with federal policy in coordinating international trade agreements.
 - Status - Voted out of committee but stalled on the House floor in 110th Congress by direction of Speaker Pelosi. Reintroduced on May 21, 2009 and referred to committee.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Nonadmitted and Reinsurance Reform Act of 2009 (H.R. 2571 / S. 1363)
 - Summary:
 - Prohibits any state except the insured's home state from requiring a surplus lines tax payment.
 - Authorizes states to establish procedures to allocate surplus lines taxes among themselves for multi-state risks such as an interstate compact.
 - The regulators in the insured's home state would be the sole regulators of the surplus lines transaction - including for broker licensing.
 - Prohibits states from establishing criteria for nonadmitted insurers domiciled in a U.S. jurisdiction except in conformance with the Non-Admitted Insurance Model Act (currently adopted in some form by every state except D.C. and Massachusetts).
 - Requires states to accept all Alien insurers listed on NAIC International Insurers Department Quarterly Listing of Alien Insurers.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Prohibits a state from denying credit for reinsurance if the state of domicile of an insurer purchasing reinsurance (ceding insurer) recognizes credit for reinsurance for the insurer's ceded risk, and: (1) is either an NAIC-accredited state; or (2) has financial solvency requirements substantially similar to NAIC accreditation requirements.
- Reserves to reinsurer's state of domicile the sole responsibility for regulating the reinsurer's financial solvency if such state is either NAIC-accredited, or has financial solvency requirements substantially similar to NAIC.
- Prohibits a state from requiring a reinsurer to provide financial information other than that required to be filed with its NAIC-compliant domiciliary state.
- Status - Introduced on May 21, 2009. Referred to committee. Similar bills passed the House during the previous two sessions.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- National Association of Registered Agents and Brokers Reform Act of 2009 (NARAB II) (H.R. 2554)
 - Summary:
 - The intent is to establish a single point of licensure for national non-resident licensing reciprocity.
 - Establishes the National Association of Registered Agents and Brokers (“NARAB”) which would be a non-profit association that would act as a central clearing mechanism through which licensing, continuing education, and other nonresident insurance producer qualification requirements and conditions can be adopted and applied on a multi-state basis.
 - The States’ rights to license, supervise, discipline, and establish licensing fees for insurance producers would be preserved, along with the ability and to prescribe and enforce laws and regulations with regard to insurance-related consumer protection and unfair trade practices.
 - Status - Introduced on May 21, 2009. Referred to committee. A similar bill passed in the House last session.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Fixed Indexed Annuities and Insurance Products Classification Act of 2009 (H.R. 2733 / S. 1389)
 - Summary:
 - Seeks to repeal by legislation the SEC’s adoption of Rule 151A, entitled “Indexed Annuities and Certain Other Insurance Products”, 74 Fed. Reg. 3138 (January 16, 2009).
 - Clarifies that equity indexed insurance and annuity products are not subject to SEC regulation.
 - Status - Introduced in the House on June 4, 2009 and June 25, 2009 in the Senate. Referred to committees.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Homeowners Defense Act of 2009 (H.R. 2555 / S. 505)
 - Summary:
 - Establishes a national cat pool through the establishment of a National Catastrophe Risk Consortium, which would inventory catastrophe risks of state reinsurance and residual plans, issue catastrophe bonds linked to the risks of its members and provide research and analysis.
 - State residual plans, reinsurance plans and state-sponsored insurers would be eligible to join. The bill also would provide state plans with access to liquidity loans through the U.S. Treasury should liabilities not be fully funded after a catastrophe and if the plans were unable to access capital in the private markets.
 - Catastrophic loans also would be available to these state-run plans through the Treasury if insured losses exceed the plan's coverage level.
 - Status - Introduced February 27, 2009 in the Senate and on May 21, 2009 in the House. Referred to committees. Passed the House in 110th Congress.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Insurance Industry Competition Act of 2009 (H.R. 1583)
 - Summary:
 - Amends the McCarran-Ferguson Act to make the Federal Trade Commission Act, as it relates to areas other than unfair methods of competition, applicable to the business of insurance to the extent that such business is not regulated by state law.
 - Authorizes the Department of Justice (DOJ) and the Federal Trade Commission (FTC) to issue joint statements of their antitrust enforcement policies regarding joint activities in the business of insurance.
 - Status - Introduced on March 18, 2009. Referred to committee.



Status of Major Federal Insurance Legislation in the 111th Congress (excluding health insurance legislation)

- Financial System Stabilization and Reform Act of 2009 (H.R. 3126)
 - Summary:
 - Seeks to enact Obama Administration New Foundation.
 - Establishes the Consumer Financial Protection Agency with the power to regulate credit, title and mortgage insurance.
 - Does not establish an Office of Insurance Information / Office of National Insurance.
 - Status - Introduced on July 8, 2009. Referred to committee.



State/NAIC Response to Federal Interest

- Interstate Insurance Compact
 - Established a multi-state public entity, the Interstate Insurance Product Regulation Commission (IIPRC) which serves as an instrumentality of the 34 Member States. The IIPRC serves as a central point of electronic filing for certain insurance products, including life insurance, annuities, disability income and long-term care insurance to develop uniform product standards, affording a high level of protection to purchasers of asset protection insurance products.
 - The IIPRC does not yet allow for filing of P&C products.



State/NAIC Response to Federal Interest

- Reinsurance Regulatory Modernization Framework Proposal - The proposal creates two new classes of reinsurers in the United States: U.S.-domiciled national reinsurers and non-U.S.-based port of entry (POE) reinsurers, and introduces modified collateral requirements for eligible reinsurers. The proposal also establishes a new framework for state-based reinsurance regulation based on the concepts of supervisory recognition, single-state licensure for U.S. reinsurers and single-state certification for non-U.S. reinsurers from approved jurisdictions.



State/NAIC Response to Federal Interest

- Producer Licensing Task Force
 - The Mission of the Producer Licensing Task Force is to (1) develop and implement uniform standards, interpretations and treatment of producer and adjuster licensees and licensing terminology; (2) monitor and respond to developments related to licensing reciprocity; (3) coordinate with industry and consumer groups regarding priorities for licensing reforms; and (4) coordinate and consult with the National Insurance Producer Registry (NIPR) Board of Directors to develop and implement uniform producer licensing initiatives, with a primary emphasis on encouraging the use of electronic technology.
 - Subcommittees:
 - » NARAB Working Group
 - » Producer Licensing Working Group



State/NAIC Response to Federal Interest

- Solvency Modernization Initiative Task Force
 - The Task Force will provide oversight to the Principles-Based Reserving Working Group and its charges to accomplish a principles-based approach to reserving.
 - The Task Force will provide oversight to the International Solvency and Accounting Working Group and its charges to perform the analysis of other countries' solvency regulation for use in the Solvency Modernization Initiative and to identify areas for potential adoption in the U.S. solvency framework.



State/NAIC Response to Federal Interest

- The Task Force will provide oversight to the Group Solvency Issues Working Group and its charges to identify any necessary changes to the Holding Company Model Act resulting from a study of the current model's limitations evident in the U.S. regulatory system during the current economic crisis and/or from international initiatives related to group-wide supervision. The working group will also study the need to develop group-wide regulatory requirements, including the need for group-wide capital adequacy requirements, enhanced group-wide reporting, and consideration of non-regulated entities. In addition, the working group will recommend courses of action to improve cross-border communication and coordination (both internationally and across U.S. state borders) among supervisors, including supervisors of other financial sectors where appropriate.



State/NAIC Response to Federal Interest

- The Task Force will monitor solvency-related work products of the International Association of Insurance Supervisors (IAIS) and assign papers to working groups to submit comments to the IAIS. Additionally, the Working Groups should review the papers and recommend whether and/or how the ideas in those papers should be implemented in the U.S. regulatory solvency system.
- The Task Force will communicate and coordinate with the International Insurance Relations (G) Committee and provide technical support to the Committee as needed.



State/NAIC Response to Federal Interest

- Subcommittees:
 - » Group Solvency Issues Working Group
 - » International Solvency and Accounting Working Group
 - » Principles-Based Reserving Working Group
 - » Corporate Governance Subgroup



State/NAIC Response to Federal Interest

- Speed to Market Task Force
 - The mission of the Speed to Market (EX) Task Force is to serve as the NAIC's focal point for modernization of the insurance product filing and review processes. The Task Force will monitor the development and implementation of Speed to Market operational efficiencies and will support the development of national standards in conjunction with the Interstate Insurance Product Regulation Commission (IIPRC). The Speed to Market Task Force will also support IIPRC initiatives that require uniformity and policy changes within the states.



State/NAIC Response to Federal Interest

- Subcommittees:
 - » National Standards (EX) Working Group
 - » Operational Efficiencies Working Group
 - » Personal Lines Framework (EX) Working Group
 - » Product Requirement Locator Subgroup



Behold, the World of Tomorrow!

- Moving generally towards a more activist federal government.
- Expect to see greater federal involvement in insurance - although not an optional federal charter - yet.
 - This position has already largely been accepted by the NAIC, as evidenced by the move of the NAIC executive offices to D.C.
 - NAIC has been generally accepting of the New Foundation and openly accepted the OII.



Behold, the World of Tomorrow!

- Federal legislation that is likely to pass this year, at least in the House:
 - Nonadmitted and Reinsurance Reform Act of 2009 (H.R. 2571 / S. 1363)
 - Either Systematic Risk Bill (ONI) or Insurance Information Act of 2009 (H.R. 2609)
 - National Association of Registered Agents and Brokers Reform Act of 2009 (NARAB II) (H.R. 2554)
 - Pending the outcome in court - Fixed Indexed Annuities and Insurance Products Classification Act of 2009 (H.R. 2733 / S. 1389)



Behold, the World of Tomorrow!

- The NAIC and states will have to find a way to move faster, in a more coordinated fashion, and show more results to placate Congress and a skeptical Administration.
- Reform of the insurance industry may well become a focus of interest once the immediacy of the current economic crisis abates.
- The long-term expectation is that ultimately the feds will monitor solvency and rate and form while the states will handle consumer protection and market conduct. The allocation and amount of taxes and fees remains to be resolved.