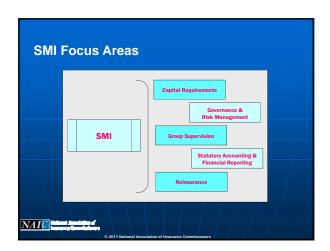


What is the SMI? Critically review the U.S. Regulatory Solvency Framework Principles and "whys" of our system International developments IAIS insurance core principles, IMF FSAP Financial crisis



Risk Management
State governance statutes and case law.
White Paper on U.S. Corporate Governance
Principles
Own Risk and Solvency Assessment "ORSA"
(1) The company's or group's risk management process and risk mitigation (2) Stress Tests
(3) Prospective Solvency Assessment (3-5 years)
(4) Group Capital
ERM Interim Meeting
NAIC

Capital Requirements

- RBC "Story" weakly capitalized companies
- RBC Improvements
- Add missing risk charges
 Re-think the correlation (e.g. square root formula)
 Partial Internal models for RBC
- - The cost/benefit of full internal models to replace RBC entirely, especially when it comes to regulatory prior approval, does not currently pass U.S. regulatory scrutiny.
- Group capital; ORSA



Statutory Accounting & Financial Reporting

- Valuation (Life Insurance Principles-Based Reserving)
 - 2011 Impact Study
- Standard Valuation Model Law
 Valuation Manual

 Future of Statutory Accounting
 International accounting standards development
 SEC's expected decisions
 IAIS valuation standards
 At present this discussion is on hold, pending further developments.



Reinsurance

- Reinsurance Regulatory Modernization Framework
 - Conceptual framework consider collateralization regarding unauthorized reinsurers & the design of the U.S. reinsurance regulatory framework
- State reinsurance collateral reforms
- Revisions to Reinsurance Model Laws

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Group Solvency

- Lesson learned from the financial crisis:
 - Holding company Enterprise risk"Windows and Walls"
- Holding Company Model Act and Regulation Dec. 2010
 IAIS ComFrame for the supervision of internationally active groups
- Current activity:
 - Accreditation changes for the new models
 - Holding company best practices & reporting requirements
 - Supervisory Colleges

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SMI Roadmap

- We continue to expect all major policy decisions to be adopted by December 2012.
- The RBC changes are going to take many years, but we need to get the "story" right.
- ERM Symposium is being held July 21.
- We've already made major changes
 - Adoption of Standard Valuation Law
 - Adoption of Group Holding Company Model Act and Regulation
- · 2011 Expect significant SMI activity.

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SMI Information	
NAIC Website www.naic.org	
Solvency Modernization Initiative	
button	
Militing 1999	
Consultation papers	
Links to Task Forces & Working	
Groups	
■ Updates	
NATO	