

2009 Fall National Meeting
Washington, DC

**RATING AGENCY (E) WORKING GROUP HEARING
ROLE OF RATING AGENCIES IN STATE INSURANCE REGULATION
Thursday, September 24, 2009
8:30 a.m. – 4:00 p.m.
Gaylord Convention Center—Maryland Ballroom D—Ballroom Level**

ROLL CALL

Michael T. McRaith Illinois Insurance Director	Illinois, Co-Chair
Kevin Fry James J. Wrynn New York State Insurance Superintendent	New York, Co-Chair
Hampton Finer Louis Quan & Kim Hudson	California
Tom R. Sullivan Connecticut Insurance Commissioner	Connecticut
Kathy Belfi Belinda Miller	Florida
Neil N. Jasey New Jersey Insurance Commissioner	New Jersey
Robert Kasinow Scott Richardson South Carolina Commissioner	South Carolina
Van Tompkins Sean Dilweg Wisconsin Insurance Commissioner	Virginia Wisconsin
Kimberly Shaul	

AGENDA

Panel 1: Use of Ratings in State Insurance Regulation **8:30 – 10:00 a.m.**

State insurance regulators are responsible for ensuring solvency of the regulated insurance companies. As part of this process, the NAIC and the states use ratings to determine the risk-based capital charge for rated bonds, as well as setting many limits for insurance company risk exposures. How did that system evolve, and how well does it work today?

Participants

Chris Evangel

Managing Director
NAIC Securities Valuation Office

Nancy Bennett, FSA, CERA, MAAA

Senior Life Fellow
American Academy of Actuaries

Michael Moriarty

Deputy Superintendent
New York State Insurance Department

Eric Steigerwalt

Senior Vice President and CFO
Metropolitan Life Insurance Company

Birny Birnbaum

Center for Economic Justice

Break

10:00 – 10:30 a.m.

Panel 2: Rating Agencies – What Happened?

10:30 a.m. – 1 p.m.

Investors rely on credit ratings to be a forward-looking reflection of risk. Did those ratings fulfill investor expectations? Looking back, in what ways could the rating agencies have fulfilled those expectations better? Have rating agencies changed their approach in response to the economic crisis, in particular, when rating structured securities? If so, in what way? Should there be other changes? Should ratings be comparable, signifying an equal probability of loss across corporate, structured and municipal securities?

Participants

David Teicher

Managing Director
Moody's

Grace Osborn

Managing Director, North American Head of Insurance Ratings
Standard & Poor's

Keith Buckley

Group Managing Director, Head of Insurance Group

John Olert

Group Managing Director, Head of ABS and Structured Credit Group
Fitch Ratings

Mary Keogh

Managing Director
DBRS Limited

Josh Rosner

Managing Director
Graham Fisher & Co.

Jerome Fons

Principal
Fons Risk Solutions

David P. Marks

Executive Vice President and Chief Investment Officer
CUNA Mutual Group

Lunch Break and Media Availability

1:00 – 2:00 p.m.

Panel 3: Recommendations and Alternatives to How the NAIC Uses Ratings

2:00 – 4:00 p.m.

The economic crisis has resulted in steep rating downgrades and drops in asset values. Is the current ratings model adequate in measuring risk, especially the risk of structured securities? Are there better alternatives for measuring risk of fixed-income securities than credit ratings?

Participants

Mani Sabapathi, CFA

Principal, Structured Product Research
Prudential Insurance

Rod Dubitsky

Executive Vice President
PIMCO Advisory

Robert Dobilas

President and CEO
Realpoint LLC

Matt Richardson

Charles E. Simon Professor of Financial Economics, Director, Salomon Center
New York University

Heather Brilliant, CFA

Director of Stock Analysis
Morningstar, Inc.

AGENDA (cont'd.)

Panel 3: Recommendations and Alternatives to how the NAIC uses ratings (cont'd.)

Michael Macchiaroli

Associate Director of the Division of Trading and Markets
U.S. Securities and Exchange Commission

The Rating Agency (E) Working Group is soliciting input on all topics and discussions taking place in this hearing. Individuals wishing to provide written testimony to the Working Group should submit such comments to Dan Daveline (NAIC), ddavelin@naic.org, by close of business Oct. 26 to be included in the record of the Working Group.