**Mary Keogh**
**Comments to NAIC**
**September 24, 2009**

DBRS is pleased to have the opportunity to participate in this hearing regarding the role of rating agencies in state insurance regulation.

I would like to first provide a brief overview of DBRS.

DBRS is a Toronto-based credit rating agency established in 1976 and still privately owned by its founders. With a U.S. affiliate located in New York and Chicago, DBRS analyzes and rates a wide variety of issuers and instruments, including financial institutions, insurance companies, corporate issuers, issuers of government securities and various structured transactions. The firm currently maintains ratings on approximately 44,000 securities around the globe. Since its inception, DBRS has been widely recognized as a provider of timely, in-depth and impartial credit analysis. DBRS operates on an "issuer-pay" model, which means that its ratings are available to the public free of charge.

In 2003, DBRS was designated by the SEC as a full-service nationally recognized statistical rating organization (NRSRO) -- the first non-U.S. based rating agency to attain that designation. Four years later, DBRS became registered as an NRSRO under the regulatory regime adopted pursuant to the Credit Rating Agency Reform Act of 2006 (Rating Agency Act). In addition to its NRSRO registration, DBRS was approved by the NAIC as an Acceptable Rating Organization or ARO and has achieved broad recognition by regulators globally, including recognition as an External Credit Assessment Institution (ECAI) in the U.S., Canada, Switzerland and the European Union.

DBRS has always been committed to ensuring high standards of independence, integrity and transparency. DBRS maintains a governance structure that includes a Business Code of Conduct in accordance with the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies that also reflects current SEC rules as well as best business practices. Over the past two years, DBRS has spent considerable time and resources to implement policies, processes and procedures to ensure analytic independence, the publication of high quality ratings and insights and on increasing public transparency and disclosure regarding its rating methodologies, policies and processes and information about how its ratings have performed over time. Most recently, DBRS implemented the requirement for a 10% sample of its ratings history in a user-friendly, searchable format that allows investors to compare DBRS' ratings to those of its competitors. As a result of recent changes to SEC rules, DBRS will soon publish additional ratings history information as well.

DBRS understands the current sentiment to review the use of ratings. It believes there has been an over-reliance on ratings. A key area of focus for DBRS has been on clarifying its role to ensure that the use of credit ratings is properly framed in policy and decision-making. Credit ratings can continue to serve as a reference point for assessing credit worthiness but as only one source and should work as a complement to assessment by internal management, boards of directors and other tools. DBRS believes this holds true for use in state insurance regulation and suggests that the use of multiple rating agencies enhances the quality of ratings being reported by insurers.

I would be pleased to answer any questions you might have.