



Group Supervision

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Overview



- **ACLI Solvency Activities**
- **Some key messages Group Supervision**
- **US perspective**
- **Conclusions**

ACLI Solvency Activities



ACLI Task Force on International Solvency:

AEGON (chair), MassMutual (vice chair), ING, New York Life , AIG, Allianz, AXA Equitable, Hartford, ING, Manulife, Met Life, Sun Life, Nationwide, Northwestern Mutual, Swiss Re, Zurich Financial

- **Solvency Principles (June 2008)**
- **Research comparing US Solvency and Solvency II against ACLI Principles (2008)**
- **Application Guidance Principles (in progress)**
- **Position papers on key critical solvency issues in light of financial turmoil (in progress)**

Some Key Messages on Group Supervision



- **Harmonized global solvency standards needed**
- **Common structure for the calculation of the main supervisory intervention points for groups.**
- **Equitable and fair treatment of policyholders across jurisdictions**
- **Mechanism that assesses and permits equivalence among regulatory bodies**
- **Functional structure for group supervision that is effective and efficient : i.e. “colleges”**
- **Recognition of demonstrable risk diversification benefits and capital mobility within the group**
- **Minimum level of risk management standards**

US perspective



In place	Not in place
<p data-bbox="459 532 942 686">NAIC Holding Company Model Act: intra-group transactions</p> <p data-bbox="459 746 904 846">Lead state supervisor concept</p> <p data-bbox="459 903 971 946">“Colleges” of supervisors</p>	<p data-bbox="1087 532 1667 575">Group solvency assessment</p> <p data-bbox="1087 632 1686 789">Ability to enter into mutual recognition agreements with foreign jurisdictions</p> <p data-bbox="1087 846 1647 1061">Recognition of risk diversification benefits and capital mobility within the group</p>

Conclusions



- **Group supervision promotes sound private insurance markets**
- **Financial turmoil has shown need for stronger international cooperation**
- **“Colleges” are a positive first step in ensuring an effective and efficient system of Group Supervision**
- **Global supervision of insurance groups will need to overcome legal/prudential challenges**
- **Group supervision must not lead to another layer of supervision.**



Group Supervision

Questions ?

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