

Bermuda Monetary Authority – Comments on International Group Issues

From: Matthew Elderfield [mailto:melderfield@bma.bm]

Sent: Wednesday, May 27, 2009 4:12 PM

To: Frohman, Ann

Subject: Group Supervision

Dear Ann

It was very nice to meet you at the NAIC international issues forum. I was interested to hear about the NAIC work on group supervision and hope you will let me know if I can be of any assistance. As I mentioned, we have published our own discussion paper on the issue. Here is the link:

http://www.bma.bm/uploaded/69-News-090331_Discussion_paper_-_Implementing_Group-Wide_Supervision.pdf

Our perspective is that we have to get group supervision right for two pressing reasons. First, the crisis has exposed a big gap (e.g., unregulated entities at AIG) which needs to be addressed. Second, the approach we have in Bermuda (which is similar to the US) is not going to get a ‘pass mark’ from the EU under Solvency 2, which could mean our firms will be denied market access, unless we change.

Please let me know if you need any more information or want to talk through any of the issues. It’s clearly a very complex issue, but also a high profile one right now. We will be hosting some supervisory colleges in the autumn and we’d be glad to share our work on those too.

Good luck with your task force and I hope we’ll keep in touch.

Kind regards,

Matthew

Matthew Elderfield
Chief Executive Officer
Bermuda Monetary Authority
BMA House, 43 Victoria Street,
Hamilton HM12 Bermuda
1 441 278 0204 (direct)
1 441 304 6005 (mobile)