

The logo for GNAIE features the acronym 'GNAIE' in white, bold, sans-serif capital letters on a dark blue background. To the left of the text is a vertical bar with horizontal stripes in shades of blue, white, and brown. The entire logo is set against a light blue background that tapers to the right.

GNAIE

**Group of North American
Insurance Enterprises**

**NAIC Group Solvency Issues
Working Group
June 12, 1009**

Morag Fullilove

Group of North American Insurance Enterprises, inc.

- **GNAIE supports initiatives to better coordinate and streamline supervision of insurance groups**
- **Need for a level playing field for all market participants – Domestic insurers and subsidiaries of foreign insurers must be treated equally**
- **Legislation should not discriminate or benefit against entities domiciled in other jurisdictions**
- **Global insurance marketplace is enhanced by healthy competition**

- **Solvency standards should lead to streamlined supervision of insurance groups**
- **Improved collaboration will increase efficiencies, yet preserve the authority of the domiciliary regulator**
- **Standardization of group supervision is important**
- **A group solvency regime should not add unnecessary duplication of regulation**

- **Standards for group solvency need to be in line with international standards**
- **The NAIC should encourage work with the IAIS on group supervision and equivalence**
- **Because of Solvency II, this action needs to begin soon. The European Union will make decisions on equivalence beginning in 2011**

In looking at group solvency, there are critical issues which need to be addressed:

- **Group support arrangements need to be supported by legal guarantees from the parent company**
- **Policy holder protection in legal entities needs to be considered**
- **Criteria need to be established as to how the benefits of diversification are to be quantified**

- **An international approach is needed**
- **Begin with a set of principles for global solvency regulation**
- **Establish a timetable**
- **Avoid duplicate regulation**
- **Level playing field**
- **GNAIE willing to help in development of group solvency standards**