



Kansas Insurance Department

Insurance Holding Company System Regulatory Act Questionnaire

The Group Solvency Issues (EX) Working Group solicits comment from regulators and interested parties in order to complete its charge relating to:

- 1) *Studying the need to develop group-wide supervision, which may include group-wide capital requirements. The Study should consider possible approaches to such capital requirements, including how capital for financial conglomerates and non-regulated entities are calculated.*
- 2) *Studying the international solvency issues related to groups and the need to modify the Holding Company Model Act for any proposed changes in this area. This study should include consideration of the interaction between federal and state financial regulators and any changes that would be necessary to improve regulatory oversight provided by the Holding Company Model Act.*

Additionally, feel free to comment on items not covered by the proposed question. All comments must be received by the end of the business day **June 10, 2009**, and should be sent electronically to the attention of David Vacca (NAIC Staff) at dvacca@naic.org.

1. Please identify and describe any pertinent group-wide international activities and issues that the Task Force should consider.

It would be beneficial if alien regulators and U.S. regulators had more interaction regarding financial oversight of insurers, which has begun.

We should consider developing highlevel analysis tools or minimum capital requirements (corporate RBC) for holding companies.

We should consider adopting an asset protection law forbidding insurance companies from encumbering any assets supporting the reserves of the company or have the holding company enter into a letter of credit or trust account for any shortfall when the market value of assets are less than the carrying value of assets of the insurer.

We should consider having the holding company file their audit report based on statutory accounting principles.

Finally, we should consider disallowing deferred tax assets for insurers because it has no marketable value. (Not holding company matter)