

# ENHANCING GLOBAL INSURANCE MARKETS

- *The NAIC is actively engaged in international issues related to financial services including insurance. State insurance regulators hold leadership roles in international organizations, interact with foreign regulators, and provide technical expertise on insurance to federal trade negotiators and financial regulators.*
- *The NAIC's international work contributes to the establishment of well-regulated insurance markets, promotes open competition, and assists in the development of stable economies.*
- *The NAIC lends the experience and expertise of more than 135 years of insurance regulation to emerging market insurance supervisors to support economic development worldwide.*

## Background

The NAIC is meeting the challenges presented by the globalization of financial markets. State insurance regulators play a vital role as experts in the establishment of global regulatory standards, the negotiation of international trade agreements, and the provision of technical assistance in developing countries. Under the guidance of an International Committee, NAIC Members engage in a variety of activities that spread valuable U.S. regulatory practices and support efforts of U.S. insurers to enter and prosper in foreign markets. In the process, U.S. regulators gain insights into other regulatory systems to the benefit of our system, and contribute to financial stability by leading efforts to enhance international insurance standards.

## Talking Points

- *Standard Setting.* The NAIC holds leadership positions in major international bodies of financial regulators. Principal among these are the International Association of Insurance Supervisors (IAIS), where the NAIC currently sits as vice chair and chairs the Technical Committee; and the International Accounting Standards Board (IASB). The NAIC is leading the effort with regulators from around the world to create global standards and to minimize differences in these fundamental areas of insurance supervision. The 2007 annual meeting of the IAIS will be held in the US and is expected to attract upwards of 500 attendees from around the world.
- *Global Economic Security.* The NAIC contributes to the work of the Joint Forum, where banking, securities and insurance supervisors tackle cross-sectoral regulatory issues, and the Financial Stability Forum, where finance ministers from the world's largest economies address financial sector developments that could threaten global economic stability.
- *Technical Expertise.* NAIC also serves as a technical expert for federal agencies—such as USTR, and the Depts. of Treasury and Commerce—in the development of financial policy and the pursuit of U.S. trade objectives, including NAFTA implementation and GATS.
- *Supervisory Education.* The NAIC has entered into MOUs with China, Vietnam, Brazil, Iraq, Russia, Hong Kong, ASSAL, and Korea. The NAIC also welcomes foreign participants in an International Internship Program designed for non-U.S. regulators.
- *Economic Development.* U.S. companies and insurance consumers greatly benefit from state insurance officials' assistance of developing countries, whose markets present rich business opportunities. Sharing U.S. expertise, the NAIC helps enhance the knowledge of insurance authorities in developing countries and promote the creation of stable, transparent systems for oversight of growing insurance markets.
- *International Cooperation.* Since 1999, the U.S. has held semi-annual NAIC-EU Regulatory Dialogues to address issues affecting transatlantic insurance business, leading to negotiation of an MOU on information exchange and discussions on supervision of reinsurance, which is critical for spreading insurance risk around the world. Similar exchanges have taken place with Japan, China, India, Brazil, Russia, and Latin America.



**National Association of  
Insurance Commissioners**

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